

F. Gordon Maxson
Director - Regulatory Affairs



GTE Service Corporation

1850 M Street, NW
Suite 1200
Washington, DC 20036
202 463-5291
202 463-5239 fax
gmaxson@dcoffice.gte.com

April 28, 2000

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
Washington, DC 20554

Re: Global International Section 214 Application

Dear Ms. Salas:

Attached for filing are original and 5 copies of an Application to transfer control of the global international Section 214 authorization held by GTE Telecom Incorporated.

The \$780.00 filing fee was paid electronically to Mellon Bank and the attached Form 159 shows the electronic audit code assigned to the transaction.

Copies of this Application are being provided as shown below. If there are any questions, please contact me by telephone or e-mail.

Very truly yours,

A handwritten signature in cursive script, appearing to read "F. Gordon Maxson".

Attachment: Application

- C: ITS
- Rebecca Arbogast
- George Li
- Liz Nightingale
- Breck Blalock
- Jackie Ruff
- Johanna Mikes
- Michelle Carey

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING
Electronic fee audit code
167552201091452
(1) LOCKBOX # 358115

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

APPROVED BY OMB 306

PAGE NO. _____ OF _____

SPECIAL USE _____
FCC USE ONLY _____

SECTION A - PAYER INFORMATION

(2) PAYER NAME (If paying by credit card, enter name exactly as it appears on your card)
GTE

(3) TOTAL AMOUNT PAID (dollars and cents)
\$ 780.00

(4) STREET ADDRESS LINE NO. 1
1850 M Street, N.W. Suite 1200

(5) STREET ADDRESS LINE NO. 2

(6) CITY Washington, DC (7) STATE _____ (8) ZIP CODE 20036

(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 463-5291 (10) COUNTRY CODE (if not in U.S.A.) _____

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (If paying by credit card, enter name exactly as it appears on your card)

(12) STREET ADDRESS LINE NO. 1

(13) STREET ADDRESS LINE NO. 2

(14) CITY _____ (15) STATE _____ (16) ZIP CODE _____

(17) DAYTIME TELEPHONE NUMBER (include area code) _____ (18) COUNTRY CODE (if not in U.S.A.) _____

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

SECTION C - PAYMENT INFORMATION

| (19A) FCC CALL SIGN/OTHER ID | (20A) PAYMENT TYPE CODE (PTC) | (21A) QUANTITY | (22A) FEE DUE FOR (PTC) IN BLOCK 20A | FCC USE ONLY |
|------------------------------|-------------------------------|----------------|--------------------------------------|--------------|
| | C U T | 1 | \$ 780.00 | |
| (23A) FCC CODE 1 | | | (24A) FCC CODE 2 | |
| (19B) FCC CALL SIGN/OTHER ID | (20B) PAYMENT TYPE CODE (PTC) | (21B) QUANTITY | (22B) FEE DUE FOR (PTC) IN BLOCK 20B | FCC USE ONLY |
| (23B) FCC CODE 1 | | | (24B) FCC CODE 2 | |
| (19C) FCC CALL SIGN/OTHER ID | (20C) PAYMENT TYPE CODE (PTC) | (21C) QUANTITY | (22C) FEE DUE FOR (PTC) IN BLOCK 20C | FCC USE ONLY |
| (23C) FCC CODE 1 | | | (24C) FCC CODE 2 | |
| (19D) FCC CALL SIGN/OTHER ID | (20D) PAYMENT TYPE CODE (PTC) | (21D) QUANTITY | (22D) FEE DUE FOR (PTC) IN BLOCK 20D | FCC USE ONLY |
| (23D) FCC CODE 1 | | | (24D) FCC CODE 2 | |

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(25) PAYER TIN 0131675522 (26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2)
APPLICANT TIN 0

SECTION E - CERTIFICATION

(27) CERTIFICATION STATEMENT
I, _____, Certify under penalty of perjury that the foregoing and supporting information
(PRINT NAME)
are true and correct to the best of my knowledge, information and belief. SIGNATURE _____

SECTION F - CREDIT CARD PAYMENT INFORMATION

(28) MASTERCARD/VISA ACCOUNT NUMBER: _____ EXPIRATION DATE: _____
MONTH YEAR

MASTERCARD VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization(s) herein described. AUTHORIZED SIGNATURE _____ DATE _____

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

| | | |
|---------------------------------------|---|----------|
| In the Matter of |) | |
| |) | |
| GTE CORPORATION |) | |
| Transferor |) | |
| |) | File No. |
| GENUITY INC. |) | |
| Transferee |) | |
| |) | |
| |) | |
| |) | |
| Application for authority to transfer |) | |
| control of the global international |) | |
| Section 214 authorization held |) | |
| by GTE Telecom Incorporated |) | |

APPLICATION FOR TRANSFER OF CONTROL

GTE Corporation ("GTE") and Genuity Inc. ("Genuity") (collectively, "Applicants"), pursuant to Section 63.18(e)(3) of the Commission's Rules, 47 C.F.R. §63.18(e)(3), respectfully request authority from the Commission to transfer the global international Section 214 authorization, ITC-214-19990708-00391,¹ held by GTE Telecom Incorporated ("Telecom") from GTE to Genuity. Post-transaction, Genuity will be an independently controlled company. Transferee also request classification of Telecom as non-dominant on the routes to the Dominican Republic and Venezuela. This application describes the steps involved in this transaction.²

¹ Prior to the grant of global Section 214 authority, Telecom held various individual authorizations under ITC-94-237, ITC-94-357-TC, ITC-95-443, ITC-96-313, ITC-96-314 and ITC-97-438. GTE Telecom hereby relinquishes these authorizations as they became unnecessary under the global Section 214 authority.

² Applications to transfer various cable landing licenses and a domestic Section 214 authorization in connection with this transaction are being filed contemporaneously herewith.

Telecom is a common carrier providing domestic interexchange and international wholesale services.³ Telecom is currently a wholly-owned subsidiary of Contel Federal Systems, Inc., which is in turn a wholly-owned subsidiary of GTE. Pursuant to the proposed transaction, described in detail *infra*, GTE will: (1) reorganize this interest within the GTE corporate structure such that the global Section 214 authority is assigned to a new company, renamed Telecom;⁴ and (2) transfer control of "New" Telecom as GTE spins off Genuity as an independent corporation 90 percent owned and controlled by public shareholders through an initial public offering.⁵ Upon the conclusion of these transactions, the international Section 214 authorization at issue will be held by "New" Telecom and controlled by Genuity, a company held ninety percent by public shareholders and ten percent by GTE.

This application is being filed in preparation for the proposed merger between GTE and Bell Atlantic Corporation.⁶ Authority for the transfer of control described herein is requested so the global international Section 214 authorization ultimately will be controlled by a publicly-owned company and thus not be included in the proposed GTE-Bell Atlantic merger.

³ Telecom's domestic interstate service is provided pursuant to a blanket Section 214 authorization granted to all domestic carriers. A similar application is being filed contemporaneously seeking consent to transfer control of this domestic Section 214 authorization.

⁴ Section 63.24(a)(5) of the Commission's Rules provides for *pro forma* assignment of international Section 214 authority. 47 C.F.R. § 63.24(a)(5).

⁵ Details of the transaction have been submitted in CC Docket No. 98-184, and are incorporated herein by reference. See *Ex Parte* Letter of GTE and Bell Atlantic, April 3, 2000; Supplemental Filing, Jan. 27, 2000.

⁶ GTE Corporation and Bell Atlantic Corporation, Application for Consent to Transfer Control, CC Docket No. 98-184, Oct. 2, 1998 (Public Notice, Oct. 8, 1998, DA 98-2035); Supplemental Filing, Jan. 27, 2000 (Public Notice, Jan. 31, 2000, DA 00-165); Further Applications and Amendments to the Merger Application, March 1, 2, 8, and 9, 2000 (Public Notice, Mar. 17, 2000, DA 00-608).

Applicants submit the following information to notify the Commission of the first step of this transaction, which is the *pro forma* assignment within GTE:

I. THE PARTIES TO THE PRO FORMA ASSIGNMENT

A. GTE Telecom Incorporated (Assignor)

Telecom is a corporation organized and existing under the laws of the State of Delaware. It is currently wholly owned by Contel Federal Systems, Inc., a Delaware corporation, which is a wholly-owned subsidiary GTE. GTE is a corporation organized and existing under the laws of the State of New York and is the parent company of all of the GTE operating subsidiaries.

B. GTE Interstate Communications Incorporated, Which Will Become "New" GTE Telecom Incorporated (Assignee)

GTE Interstate Communications Incorporated ("GTE Interstate"), which will become "New" GTE Telecom Incorporated (also "Telecom"), is a corporation organized and existing under the laws of the State of Delaware and wholly owned by Genuity, formerly GTE Internetworking Incorporated.

C. International Affiliations

Telecom is affiliated with foreign carriers through common ownership or control of such carriers by GTE. These affiliations are a matter of record before the Commission.⁷ The routes to the Dominican Republic and Venezuela are treated as dominant because of the GTE affiliations in those countries.

⁷ Described in FCN-NEW-19981104-00038 and updated on June 21, 1999. Further update filed April 5, 2000 appeared on Public Notice April 27, 2000 under file number FCN-NEW-20000410-00021.

D. The *Pro Forma* Assignment

As depicted in Exhibit 1, Telecom's international Section 214 authorizations are assigned on a *pro forma* basis from Telecom to GTE Interstate, a wholly-owned subsidiary of Genuity, which is in turn a wholly-owned subsidiary of GTE. GTE Interstate will immediately change its name to Telecom. Accordingly, after completion of this step, "New" Telecom, which will hold the interest in the global international Section 214 authorization, would be a wholly-owned subsidiary of Genuity, which in turn is a wholly-owned subsidiary of GTE. Since this assignment is within the control of GTE, it should be considered a *pro forma* transaction under Section 63.24(a)(5) of the Commission's Rules. This transaction does not affect GTE's ultimate control of Telecom's international Section 214 authorizations.

Applicants submit the following information in support of this Application:

II. THE PARTIES TO THE TRANSFER OF CONTROL

A. GTE Corporation (Transferor)

GTE is a corporation organized and existing under the laws of the State of New York and is the parent company of all of the GTE operating subsidiaries.

B. Genuity Inc. (Transferee)

Genuity, formerly GTE Internetworking Incorporated, is a Delaware corporation wholly owned by GTE at the present time. In connection with the merger between GTE and Bell Atlantic Corporation, it is proposed that Genuity will be spun-off to the public in an initial public offering ("IPO"). A registration statement for this public offering was filed with the Securities and Exchange Commission on April 7, 2000. Upon completion of the IPO, Genuity will no longer be controlled by GTE, but instead will be owned ten percent by GTE and ninety percent by a diverse roster of public shareholders.

C. International Affiliations

With the spin-off of Genuity from GTE, neither Genuity nor its subsidiary, Telecom, will then be affiliated with any foreign telecommunications carrier or have any interlocking directorates with a foreign telecommunications carrier. As a consequence, Telecom should be classified as non-dominant on the routes to the Dominican Republic and Venezuela.

D. The Transfer of Control

As depicted in Exhibit 2, GTE requests authority to transfer control of Telecom's global international Section 214 authorization to Genuity, a company held ninety percent by public shareholders and ten percent by GTE. The transfer of control of Telecom's interest in this Section 214 authorization from GTE to the publicly-held Genuity should qualify for streamlined treatment under Section 63.12(a) of the Commission's Rules since Genuity post-transaction will have no foreign affiliations. Applicants will not transfer these licenses and authorizations unless and until the Commission grants the underlying license transfer application in CC Docket No. 98-184.

III. PUBLIC INTEREST CONSIDERATIONS

Consummation of the proposed transfer of control will serve the public interest by enabling the spin-off of certain of GTE's interstate and international assets into an independently owned and controlled company. GTE and Bell Atlantic have already shown in the merger proceeding that the Genuity solution would serve the public interest. It would preserve the integrity of Genuity's business while providing incentives for the merged GTE and Bell Atlantic to attain Section 271 authority and eventually to acquire control of Genuity. For the same reasons, the public interest would be served by allowing the transfer of control of Telecom and its global international Section 214 authorization from GTE to Genuity.

IV. INFORMATION REQUIRED BY SECTION 63.18 OF THE COMMISSION'S RULES

Applicants submit the following information for the transfer of control:

- (a) Names, addresses, and telephone numbers of GTE and Genuity are:

GTE Corporation
1255 Corporate Drive.
Irving, TX 75039
Tel: (972) 507-2105
Contact Person: Marianne Drost

Genuity Inc.
3 Van de Graaff Drive
Burlington, MA 01803
Tel: (781) 262-4303
Contact Person: Ira Parker

- (b) GTE Corporation is a corporation organized under the laws of the State of New York. Genuity Inc. is a corporation organized under the laws of the State of Delaware.

- (c) Correspondence concerning this application should be sent to:

Gail L. Polivy, Esq.
GTE Service Corporation
1850 M Street, NW, Suite 1200
Washington, DC 20036
Tel: (202) 463-5200

And in addition to:

Ondrea Dae Hidley, Esq.
Genuity, Inc.
5221 N. O'Connor Blvd.
East Tower, 14th Floor [HQL09A80]
Irving, TX 75039
Tel: (972) 791-1745

- (d) Telecom seeks to continue to offer wholesale services under its new parent corporation pursuant to its international Section 214 authority.

- (e)(3) This application for transfer of control of an existing international Section 214 authorization provides information for paragraphs (a) - (d) for both the transferor and transferee and information for paragraphs (h) through (p) for the transferee. The beginning of this application provides a narrative of the means by which the transfer will take place.
- (f) As noted in paragraph (p), this application is subject to streamlined treatment under Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12.
- (g) Not applicable.
- (h) Only GTE will hold directly or indirectly at least ten percent of the equity of Genuity. The remaining ninety percent interest will be held by a diverse roster of public shareholders. GTE's address, citizenship principal business and equity interest in Genuity is:

| <u>Name</u> | <u>Address</u> | <u>Citizenship</u> | <u>Principal Business</u> | <u>Interest</u> |
|-----------------|--|--------------------|---------------------------|-----------------|
| GTE Corporation | 1255 Corporate Dr. Irving, TX 75038 | U.S. | Telecommunications | 10% |

GTE Corporation's ownership is a matter of record before the Commission. No single shareholder owns ten percent or more of GTE's equity.

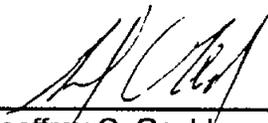
- (i) Genuity certifies that it is not a foreign carrier and post-transaction will not be affiliated with a foreign telecommunications carrier.
- (j) Genuity certifies that it does not seek to provide international telecommunications services to any destination country where it is, controls, or is affiliated with a foreign telecommunications carrier.
- (k) Not applicable.
- (l) Genuity does not seek to resell the international services of unaffiliated carriers for the purpose of providing international telecommunications services to any country where it is a foreign carrier or is affiliated with a foreign telecommunications carrier.
- (m) Genuity qualifies for non-dominant treatment on all routes pursuant to Section 63.10 of the Commission's Rules, 47 C.F.R. § 63.10, because Genuity is not a foreign carrier and is not affiliated with a foreign telecommunications carrier. Telecom will become non-dominant on the routes to Venezuela and the Dominican Republic.
- (n) Genuity certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

- (o) Genuity certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003, that it is not subject to the denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).
- (p) This application is eligible for streamlined processing pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12, because Genuity qualifies for a presumption of non-dominance under Section 63.10(a)(1). Neither Genuity nor its subsidiary Telecom is a foreign carrier and post-transaction neither will be affiliated with a foreign telecommunications carrier. Nevertheless, Applicants will not transfer these licenses and authorizations unless and until the Commission grants the underlying license transfer application in CC Docket No. 98-184.

V. **CONCLUSION**

For the reasons stated above, GTE and Genuity respectfully submit that the public interest, convenience and necessity would be furthered by a grant of this application for transfer of control of Telecom's global international Section 214 authorization from GTE to Genuity and for the related intracorporate transactions that precede it.

Respectfully submitted,



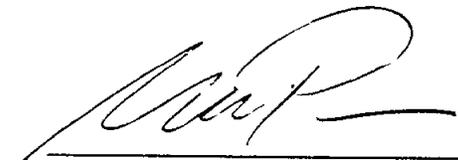
Geoffrey C. Gould
Vice President – Government &
Regulatory Affairs
GTE Corporation
1850 M Street NW, Suite 1200
Washington, DC 20036
Tel: (202) 463-5200
Fax (202) 463-5279

Dated: April 28, 2000

The next page contains the signature for Genuity Inc.

Continuation of signature page.

Respectfully submitted,

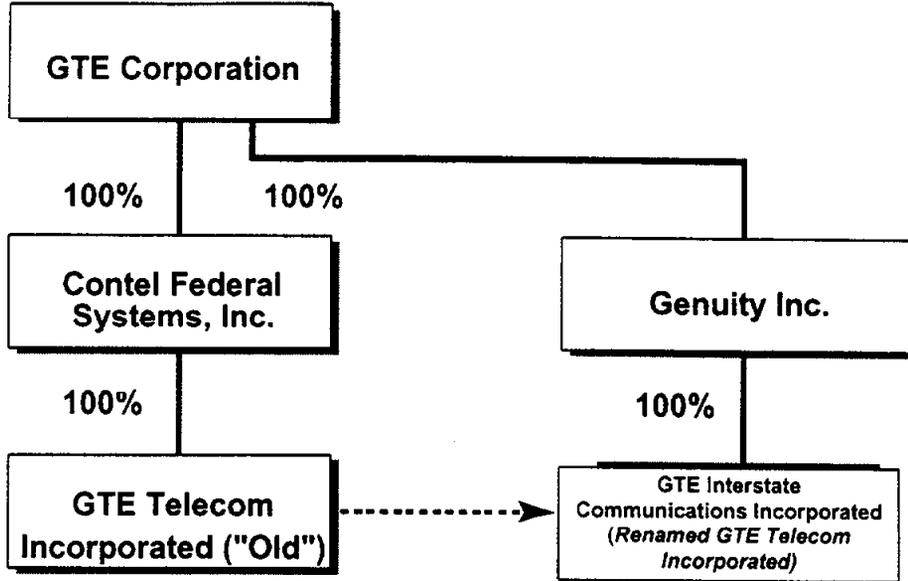
A handwritten signature in black ink, appearing to read 'Ira H. Parker', written over a horizontal line.

Ira H. Parker
Secretary
Genuity Inc.
3 Van de Graaff Drive
Burlington, MA 01803
Tel: (781) 262-4303
Fax: (781) 262-3408

Dated: April 28, 2000

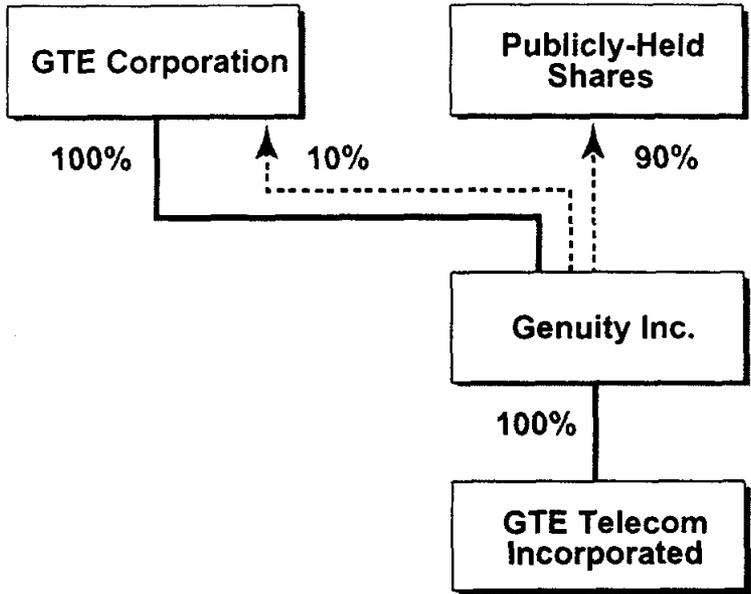
EXHIBIT 1

PRO FORMA ASSIGNMENT



Merger of GTE Telecom and its international Section 214 authorizations into GTE Interstate. GTE Interstate is the surviving company but is renamed GTE Telecom.

**EXHIBIT 2
TRANSFER OF CONTROL**



Transfer of Control of the international Section 214 authorization held by GTE Telecom from GTE Corporation to Genuity, Inc., which will be a publicly-held company pursuant to spin-off Genuity, Inc. from GTE Corporation