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December 9, 1998

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**FILED**  
DEC 9 1998  
Missouri Public  
Service Commission

**RE: Proposed Merger of Bell Atlantic and GTE Corporation**  
**Case No.: TM-99-251**

Dear Mr. Roberts:

Enclosed for filing, in the above-referenced case, please find the original and 14 copies of the Office of the Public Counsel's Motion to Open a Docket, to Establish a Procedural Schedule, and to Hold a Hearing. Please "file" stamp the extra-enclosed copy and return it to this office. I have also on this date mailed and/or hand-delivered the appropriate number of copies to all counsel of record. Thank you for your attention to this matter.

Very truly yours,

  
Michael F. Dandino  
Senior Public Counsel

MFD:rjr

cc: Counsel of Record

Enclosures

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**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**FILED**  
DEC 9 1998  
Missouri Public  
Service Commission

In the Matter of the Proposed Merger )  
Between GTE Corporation and )  
Bell Atlantic. )

Case No.: TM-99-261

**OFFICE OF THE PUBLIC COUNSEL'S MOTION TO OPEN A DOCKET, TO  
ESTABLISH A PROCEDURAL SCHEDULE, AND TO HOLD A HEARING**

COMES NOW the Office of the Public Counsel ("Public Counsel"), and respectfully requests the Missouri Public Service Commission ("Commission") to Open a Docket, Establish a Procedural Schedule, and to Hold a Hearing on the proposed merger of Bell Atlantic and GTE Corporation, the parent company of GTE Midwest Corporation. In support of the Motion, Public Counsel states as follows:

1. On or about July 28, 1998, Bell Atlantic and GTE announced plans to merge the two companies. On or about October 2, 1998, the companies filed for consent to transfer control with the Federal Communications Commission ("FCC") in cc Docket No. 98-144.
2. Bell Atlantic is one of the largest incumbent local exchange companies in the United States. In 1997, Bell Atlantic combined with another neighboring Regional Bell Operating Company ("RBOC"), Nynex.
3. GTE is the second largest incumbent local exchange company in Missouri. It is the incumbent local exchange company in other states.
4. GTE has over 435,400 access lines in Missouri serving the western portion of the St. Louis Metropolitan area, Columbia, and many rural communities.

5. The merger will create a giant telecommunications firm comprised of incumbent telephone companies.

6. Public Counsel is concerned that this merger may cause a shift of GTE's corporate interests and resources from serving rural Missouri and smaller cities to emphasis on a global and national market. Public Counsel is concerned that GTE personnel and service locations will be moved out of Missouri. Public Counsel is concerned that cost slashing from the merger and a new global and national marketing and service focus may result in reduced quality of service and reduced customer service for rural Missourians and other GTE's customers.

7. On or about November 5, 1998, GTE announced that it intended to sell 105 of its 219 Missouri exchanges in connection with its sale of 1.6 million of its 21.5 million access lines. GTE will dispose of 111,340 of its 435,400 Missouri access lines.

8. The Commission has jurisdiction pursuant to Section 386.250(2), 386.320, and 392.300, RSMo. to review and investigate this merger prior to granting or withholding its consent. Merger applications seeking state regulatory consent have been filed in 32 states.

9. It is in the public interest for the Commission to give this merger close scrutiny to assure that consumers are benefited and not harmed by the merger. In particular, pursuant to Section 392.185, RSMo., the Commission has a duty to carry out the purpose of the telecommunications law, including parity of services in urban and rural areas. This is especially true in light of the intent to sell or exchange most of GTE's exchanges in rural communities.

10. The National Association of State Utility Consumer Advocates ("NASUCA") adopted a resolution at its June, 1998 conference urging state regulatory agencies to give telecommunications mergers close scrutiny to assure that these mergers provide direct, positive benefits to consumers and enhance full and open competition.

11. Public Counsel asks the Commission to open a docket:

- A. to review the merger effects on competition in Missouri;
- B. to balance and weigh the direct benefits to the consumers with the benefits to the company shareholders;
- C. to determine whether the merger is consistent with the public interest and enhances competition and reduces barriers to competitive entry;
- D. to enable the Commission to ensure that the merger will not adversely affect the quality of service, cost of service, types of service, and access to customer service in Missouri, especially in rural areas;
- E. to assure that the merger does not adversely affect universal service in Missouri; and,
- F. if appropriate, place certain conditions on the approval of the merger to protect the public interest and consumers.

**WHEREFORE**, the Office of the Public Counsel prays that the Public Service Commission to make and enter its order to open a docket for consideration of the proposed merger, hold a hearing, and to notify the public and interested parties.

Respectfully submitted,  
**OFFICE OF THE PUBLIC COUNSEL**

BY:



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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing document has been faxed, mailed, or hand-delivered to the following counsel of record on this 9 day of December 1998:

Dana K. Joyce  
General Counsel  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

Tracy D. Pagliara  
GTE Service Corporation  
601 Monroe Street, Suite 304  
Jefferson City, MO 65101

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