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June 12, 2018

Julie Orchard
UTAH PUBLIC SERVICE COMMISSION
Heber M. Wells Building
4th Floor
160 East 300 South
Salt Lake City, Utah 84111

**Re: Notification of The Acquisition of MCI, Inc. By Verizon
Communications Inc.**

Dear Ms. Orchard:

This letter is to advise the Commission of the proposed acquisition of MCI, Inc (“MCI”) by Verizon Communications Inc. (“Verizon”) (collectively “the Parties”). As discussed in greater detail below, this transaction does not require prior Commission approval under Utah law because it does not involve the merger of one public utility with another. Nevertheless, because several Utah telecommunications companies are indirectly involved, the Parties wish to provide the Commission with a brief description of the transaction.

Parties to the Transaction

MCI, Inc. is a corporation created and existing under the laws of the State of Delaware, with its principal office located at 22001 Loudoun County Parkway, Ashburn, Virginia 20147. Although MCI, Inc. is not a regulated telephone company within Utah or elsewhere, some of MCI’s subsidiaries are subject to public utility regulation in the jurisdictions in which they operate. MCI’s subsidiaries MCImetro Access Transmission Services LLC, MCI WorldCom Communications, Inc., MCI WorldCom Network Services, Inc., Teleconnect Long Distance Services and Systems Co. d/b/a Telecom USA and TTI National, Inc. (collectively “the MCI subsidiaries”) provide consumer services, including interstate long distance services, intrastate toll services, competitive local exchange services, and other telecommunications services in Utah.

Verizon is a corporation created and existing under the laws of the State of Delaware. Its principal office is located at 1095 Avenue of the Americas, New York, New York 10036. Verizon provides no services and is not a regulated telephone company within Utah or elsewhere. Verizon’s local telephone subsidiaries are subject to public utility

regulation in 29 states, Puerto Rico, and the District of Columbia. No Verizon subsidiary provides local exchange telecommunications services in Utah. Verizon's long distance subsidiary Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance is a reseller of IXC services in Utah, but is not a public utility subject to Commission regulation under Section 54-2-1 of the Utah Code.

Description of the Transaction

A copy of the Agreement and Plan for Merger among the Parties (without attachments) (the "Agreement") detailing the terms of Verizon's acquisition of MCI is enclosed with this letter. As described in the Agreement, MCI will merge into ELI Acquisition, LLC, a subsidiary of Verizon created for this purpose. ELI Acquisition, LLC will be the surviving company in the transaction, and Verizon will be its parent corporation after the transaction. Verizon intends to rename ELI Acquisition, LLC as "MCI, LLC." MCI's shareholders will receive 0.4062 shares of Verizon common stock and \$1.50 cash for every share owned of MCI. In addition to the Verizon shares and cash, MCI shareholders will receive a special dividend in the amount of \$4.10 per share, less any dividend paid by MCI between February 14, 2005 and the consummation of the transaction.

Until the acquisition is completed, both corporations will continue to operate as independent entities. The acquisition will not occur until all necessary governmental and regulatory approvals and reviews have been obtained or completed. This process includes a review by the Department of Justice, the FCC, and a number of state commissions.

When the acquisition is completed, all MCI subsidiaries will be second-tier subsidiaries of Verizon. The authorizations and licenses currently held by the MCI subsidiaries will continue to be held by the respective entities. The Agreement does not call for the merger of any assets, operations, lines, plants, franchises, or permits of MCI's regulated subsidiaries with the assets, operations, lines, plants, franchises, or permits of any Verizon entity. To the extent that any such reorganization might be made at a later date, it will be made in the normal course of business and subject to such regulatory approvals as may be required. Similarly, the Agreement does not call for any change in the rates, terms, or conditions for the provision of any telecommunications services provided in Utah. To the extent that any such changes might be made at a later date, they may be made in the normal course of business subject to such regulatory approvals as may be required. The acquisition will not change the MCI subsidiaries' relationship with the Commission, and it will not interfere with the Commission's jurisdiction or with the quality of service that MCI's subsidiaries are able to offer Utah customers. The regulated subsidiaries will continue to meet all of their obligations and commitments under Utah law as they did prior to the acquisition.

This transaction will greatly enhance the abilities that both Verizon and MCI now possess as stand-alone companies to provide a comprehensive suite of services to consumers, businesses and government customers. It will bring together two companies with complementary strengths in a way that will benefit the existing customers of each company. Finally, it will enhance Verizon's ability to compete for and serve large businesses and government customers in Utah and beyond by improving the speed of delivery for competitively priced wireline services, broadband services, wireless services and IP-based services to that vital sector of the U.S. economy.

Approval Not Required

Prior Commission approval is not required for this transaction. Under Utah Code §§ 54-4-28, 54-4-29 and 54-4-30, Commission approval is required only if one Utah public utility merges with, acquires the voting stock of, or acquires the plants, facilities, equipment or properties of, another. In this transaction, Verizon Communications Inc., a Delaware holding company, will be acquiring the stock of MCI, Inc., another Delaware holding company. Verizon's long distance subsidiary in Utah is not a party to the transaction, and is not a public utility in any event under Section 54-2-1 of the Utah Code.¹ MCI's Utah regulated subsidiaries are also not parties to the transaction. Because the transaction between Verizon and MCI does not involve an acquisition by a Utah public utility, Commission approval is not required.²

¹ As noted above, Verizon's long distance subsidiary Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance is a reseller of IXC services in Utah, but is not a public utility subject to Commission regulation under Section 54-2-1 of the Code.

² If the Commission nonetheless determines that approval of the transaction is necessary, Verizon and MCI respectfully request that this matter be considered under R746-110 of the Commission Rules, which permits uncontested matters to be adjudicated informally. If the Commission determines that a more formal process is necessary, or that it needs additional information to approve this transaction, please notify the undersigned counsel at the Commission's earliest convenience.

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Should you have any questions or comments concerning this transaction, do not hesitate to contact me.

Sincerely,

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ENCLOSURES

No.	Description
1	Agreement and Plan of Merger, dated February 14, 2005, by and among Verizon Communications Inc., MCI Acquisition Corp. and MCI, Inc. (without schedules and attachments)

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