

company profile

TOTAL VERIZON

Largest U.S. wireline and wireless telecommunications provider

- Revenues of \$71.3 billion
- \$7.3 billion in income before discontinued operations and cumulative effect of accounting change
- \$13.3 billion capital investment
- More than 210,000 employees

DOMESTIC TELECOM

Major provider of local, long-distance, data and broadband services

- Revenues of \$38.6 billion
- Wireline assets serve two-thirds of the top 100 U.S. markets
- \$7.1 billion capital investment

VERIZON WIRELESS

Leading wireless services provider with the nation's most reliable wireless voice network

- Revenues of \$27.7 billion
- 43.8 million customers
- \$5.6 billion capital investment

INFORMATION SERVICES

Leading print and online directory publisher and content provider

- Revenues of \$3.6 billion
- 128 million circulation worldwide
- 1.2 million advertising customers
- 134 million monthly searches on SuperPages.com

INTERNATIONAL

Wireline and wireless operations and investments primarily in the Americas and Europe

- Revenues of \$2.0 billion

CONSOLIDATED REVENUES (billions)

2004	\$71.3
2003	\$67.5
2002	\$67.1

CASH FLOW FROM OPERATIONS (billions)

2004	\$21.8
2003	\$22.5
2002	\$22.1

TOTAL DEBT (billions)

2004	\$39.3
2003	\$45.4
2002	\$53.3

DIVIDENDS PER SHARE

2004	\$1.54
2003	\$1.54
2002	\$1.54

In keeping with Verizon's commitment to protecting the environment, this Annual Report is printed on non-glossy, recycled paper. Information about our environmental initiatives – including energy conservation, reducing greenhouse gas emissions, waste reduction and recycling – can be found on our website (www.verizon.com) by clicking on "About Verizon" and selecting "Verizon and the Environment."

verizon

We never stop working for you.

Verizon Investing in the state of Massachusetts

The Verizon Family of Companies:

Serves **3.3 Million Lines**
Statewide

Has **13,150 Employees** residing
in the State

Has **67,334 Verizon**
shareowners living in the State

Has invested **\$472.1 Million** in
plant and equipment Statewide in
2004

Has an **Annual Employee**
Payroll of \$851.4 Million
Statewide

Operates **398 Buildings and**
Locations throughout the State

Pays **\$244.5 Million** annually to
16,078 Retirees living in the
State

Operates a fleet of **4,204**
Vehicles in the State

Has **14,478 Employees** working
Statewide

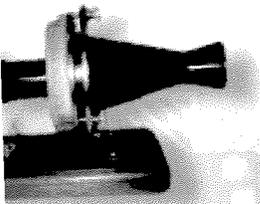
Works with **9,598 Vendors and**
Suppliers in the State

Pays **\$75 Million** annually in
Taxes Statewide

Pays **\$160.4 Million** annually in
Healthcare costs for **Employees**
and **Retirees** Statewide

Made **\$4.2 Million** in **Charitable**
and **Civic Contributions**
Statewide during 2004

Verizon Never Stops Working for
Massachusetts



The History of
Verizon
Communications



Verizon Communications Inc., based in New York and incorporated in Delaware, was formed on June 30, 2000, with the merger of Bell Atlantic Corp. and GTE Corp. Verizon began trading on the New York Stock Exchange (NYSE) under its new "VZ" symbol on Monday, July 3, 2000.

The symbol was selected because it uses the two letters of the Verizon logo that graphically portray speed, while also echoing the genesis of the company name: veritas, the Latin word connoting certainty and reliability, and horizon, signifying forward-looking and visionary.

While Verizon is truly a 21st century company, the mergers that formed Verizon were several years in the making, involving companies with roots that can be traced to the beginnings of the telephone business in the late 19th century.

Government regulation largely shaped the evolution of the industry throughout most of the 20th century. Then, with the signing of the Telecommunications Act on Feb. 8, 1996, federal law directed a shift to more market-based policies. This promise of a new competitive marketplace was a driving force behind Verizon's formation.

The Bell Atlantic - GTE Merger

The mergers that formed Verizon were among the largest in U.S. business history, culminating in a definitive merger agreement, dated July 27, 1998, between Bell Atlantic, based in New York City, and GTE, which was in the process of moving its headquarters from Stamford, Conn., to Irving, Texas.

GTE and Bell Atlantic had each evolved and grown through years of mergers, acquisitions and divestitures. Each had proven track records in successfully integrating business operations.

Prior to the merger, GTE was one of the world's largest telecommunications companies, with 1999 revenues of more than \$25 billion. GTE's National and International Operations served



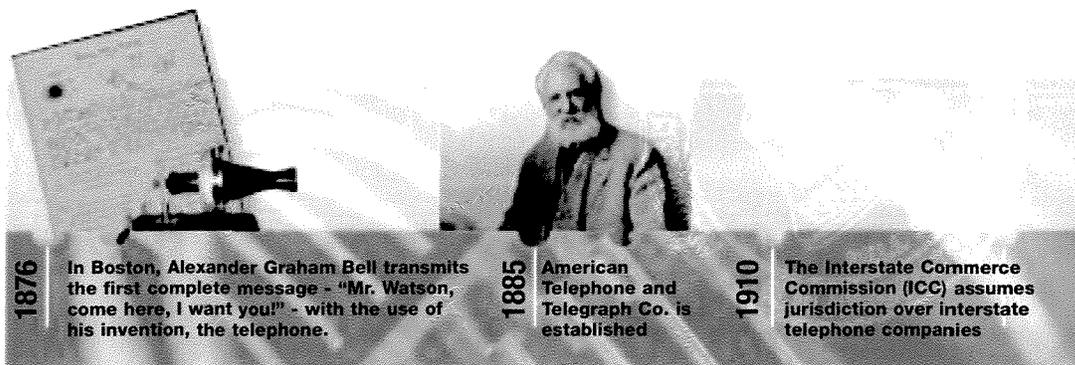
approximately 35 million access lines through subsidiaries in the United States, Canada and the Dominican Republic, and through affiliates in Canada, Puerto Rico and Venezuela.



(Access lines are the individual connections from a customer's premises to the phone network.) GTE was a leading wireless operator in the United States, with more than 7.1 million wireless customers and the opportunity to serve 72.5 million potential wireless customers.

Outside the 50 states, GTE operated wireless networks serving approximately 6.7 million customers with 34.8 million potential wireless customers through subsidiaries in Argentina, Canada and the Dominican

TELECOM TIMELINE



1876

In Boston, Alexander Graham Bell transmits the first complete message - "Mr. Watson, come here, I want you!" - with the use of his invention, the telephone.

1885

American Telephone and Telegraph Co. is established

1910

The Interstate Commerce Commission (ICC) assumes jurisdiction over interstate telephone companies

HISTORY OF VERIZON COMMUNICATIONS INC.

Republic, and affiliates in Canada, Puerto Rico, Venezuela and Taiwan. GTE provided internetworking services, ranging from dial-up Internet access for residential and small-business consumers to Web-based applications for Fortune 500 companies. GTE was also a leader in directories and telecommunications-based information services and systems.

Bell Atlantic was even larger than GTE, with 1999 revenues of more than \$33 billion. Its Domestic Telecom unit served 43 million access lines, including 22 million households and more than 2 million business customers. Its Global Wireless unit managed one of the world's largest and most successful wireless companies, with 7.7 million Bell Atlantic Mobile customers in the United States, and international wireless investments in Latin America, Europe and the Pacific Rim.

Bell Atlantic's Directory Services was already the world's largest publisher of directory information, including operations in Europe. Bell Atlantic's International unit included a mix of mature and start-up wireline telecommunications investments in Europe and the Pacific Rim. In total, Bell Atlantic held assets of more than \$62 billion, and the company was investing to strengthen its core telecom and wireless businesses and to accelerate growth by extending its reach into data, e-commerce and new wireless markets.

The Bell Atlantic - GTE transaction — valued at more than \$52 billion at the time of the announcement — was designed to join Bell Atlantic's sophisticated network serving its densely-packed, data-intensive customer base in 13 states from Maine to the Virginias with GTE's national footprint, advanced data communications capabilities and long-distance expertise. The purpose was to create a combined company with the scale and scope to compete as one of the telecommunications industry's top-tier companies. This combined company would be able to provide long-distance and data services nationwide as part of a full package of other communications services (subject to regulatory restrictions).

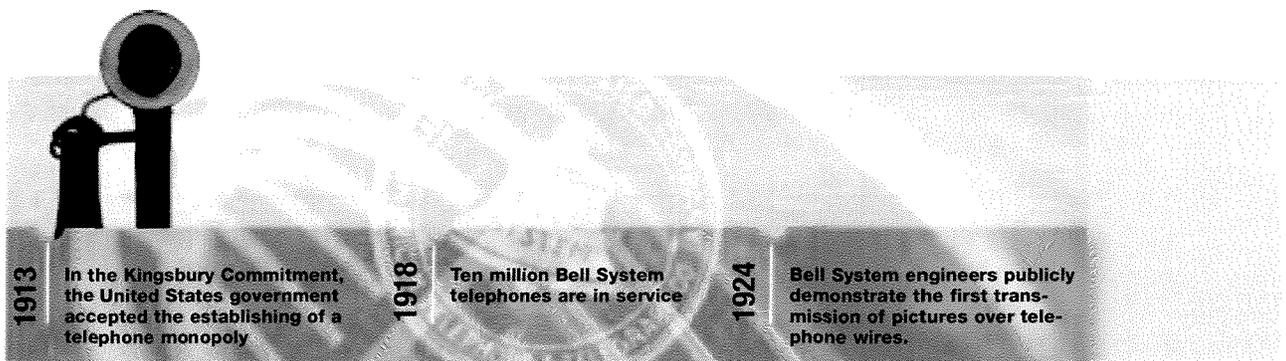
The merger closed nearly two years later, following review and approvals by Bell Atlantic and GTE shareholders, 27 state regulatory commissions and the Federal Communications Commission (FCC), and clearance from the U.S. Department of Justice (DOJ) and various international agencies.

In the meantime, on Sept. 21, 1999, Bell Atlantic and London-based Vodafone AirTouch Plc (now Vodafone Group Plc) announced that they had agreed to create a new wireless business — with a national footprint, a single brand and a common digital technology — composed of Bell Atlantic's and Vodafone's U.S. wireless assets (Bell Atlantic Mobile, AirTouch Cellular, PrimeCo Personal Communications and AirTouch Paging).

This wireless joint venture received regulatory approval in six months. The new "Verizon" brand was launched on April 3, 2000, and the wireless joint venture began operations as Verizon Wireless on April 4, 2000. GTE's wireless operations became part of Verizon Wireless — creating the nation's largest wireless company — when the Bell Atlantic - GTE merger closed nearly three months later. Verizon then became the majority owner (55 percent) of Verizon Wireless.

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TELECOM TIMELINE



When Verizon Communications began operations in mid-2000, the leaders of Bell Atlantic and GTE shared management responsibility for the company. Former GTE Chairman and CEO Charles R. “Chuck” Lee became Verizon’s founding Chairman of the Board and co-CEO, while former Bell Atlantic CEO Ivan Seidenberg became Verizon’s founding President and co-CEO. In accordance with a leadership transition plan announced at the time of the merger, Lee retired from Verizon in 2002. Seidenberg is currently Chairman and CEO.

Recent Verizon History

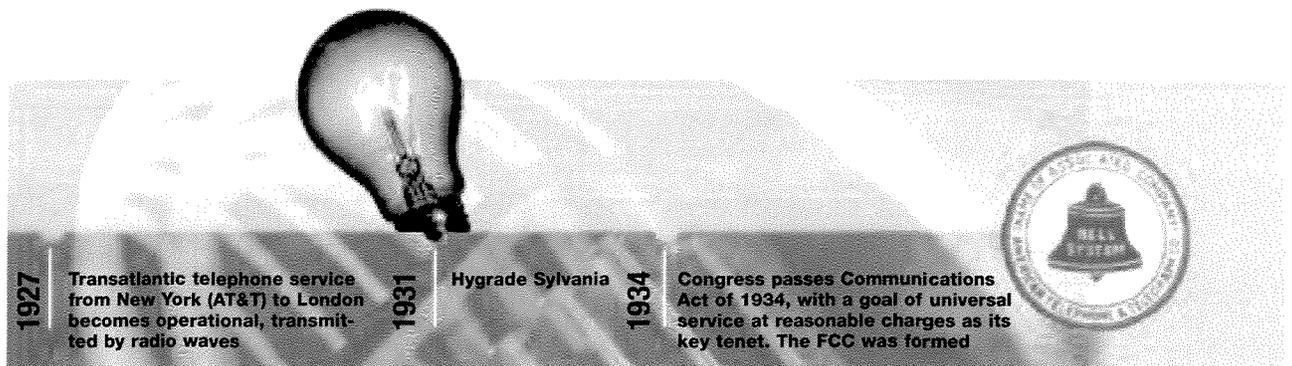
A bellwether for the industry, Verizon Communications was added to the Dow Jones Industrial Average in April 2004. Verizon continues to have the industry’s largest national presence — the most customers and most revenues — in both the wireline and wireless markets. Verizon is also the largest directory publisher in the world, as measured by directory titles and circulation, and the company is one of the largest long-distance carriers in the United States.

As of year-end 2003, Verizon’s network included more than 55 million wireline access lines in 29 states. Over 1.5 billion phone calls and trillions of bits of data are carried over this nationwide network on an average business day, with a reliability factor of over 99.999 percent. Verizon’s wireline network also includes approximately 9.3 million miles of local, inter-city and long-distance fiber-optic systems — more than any U.S. local or long-distance company and more than enough to circle the Earth 390 times.

Meanwhile, Verizon Wireless has become the recognized industry leader. By the first half of 2004, the company served more than 40 million customers in 97 of the top 100 U.S. markets. Verizon’s wireless network is 100 percent digital, with 150 switching facilities and more than 21,000 cell sites nationwide.

Verizon invests approximately more than \$12 billion a year to maintain, upgrade and expand its technology infrastructure. Verizon’s strong cash flow (more than \$22 billion in both 2002 and 2003) has enabled the company to maintain a healthy level of investment in growth areas — particularly broadband and wireless — even as the company has reduced corporate debt by nearly a third in total since 2002.

Since beginning operations in mid-2000, Verizon has shed non-strategic assets and investments, including a \$4 billion sale of wireline access lines in Alabama, Missouri and Kentucky in 2002, and sales of various international holdings and smaller business units. In early 2004, the company announced major initiatives to bring next-generation broadband services to wireline and wireless customers in the United States. Verizon’s international presence today is primarily based in the Americas and Europe. Current facts and figures about Verizon can be obtained at <http://newscenter.verizon.com/kit/vcorp/factsheet.html>



The Diverse Legacies of Bell Atlantic and GTE

On the day Verizon Communications was incorporated, it included almost all operations of the former Bell Atlantic and the former GTE. The company was structured just as it is today, with four business segments: Domestic Telecom, Verizon Wireless, International and Information Services. Some overlapping wire- less properties were divested as one of the DOJ's conditions for merger approval. One FCC condition for merger approval — a spin-off of more than 90 percent of GTE's Internet infrastructure business — illustrates an important difference between the legacies of Bell Atlantic and GTE: Bell Atlantic was a "Baby Bell," while GTE was the largest "independent" telecommunications company.

Bell Atlantic: Former Baby Bell

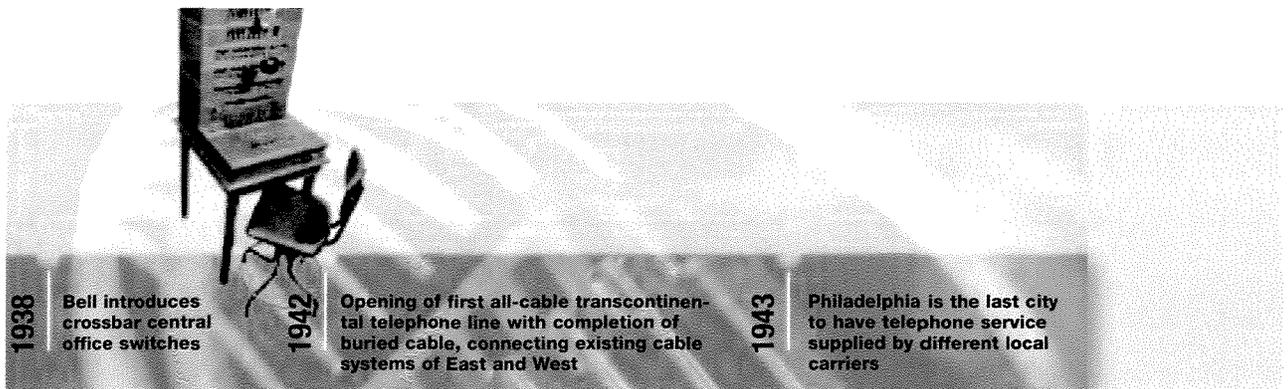
The term "Baby Bell" — synonymous with RBOC, or Regional Bell Operating Company — indicates that Bell Atlantic was one of the companies tracing its heritage to the Bell System, which was a common name for the organizational structure of the American Telephone and Telegraph Co. (AT&T) prior to 1984.

Until then — as the result of a 1913 agreement known as the Kingsbury Commitment and reinforced by the Communications Act of 1934 (the act that created the FCC) — the Bell System functioned as a legally sanctioned, regulated monopoly. The purpose of this sanction was the goal of "Universal Service" which, according to the 1934 Act, was "to make available...for all the people of the United States a rapid, efficient nationwide...wire and radio communication service with adequate facilities at reasonable charge."

On Jan. 1, 1984, 22 local telephone companies were split from parent company AT&T. At the time, it was the largest private business enterprise in the world, with more than 1 million U.S. employees; the company was popularly referred to as "Ma Bell."

A divestiture occurs when one or more companies are split from a parent corporation, often by government order. The divestiture of AT&T was so large and unprecedented that it became known as simply "Divestiture." Events leading to Divestiture included the FCC's 1968 Carterfone decision, which allowed competition with the Bell System for telephone equipment, and a 1974 antitrust suit filed by the DOJ, charging that AT&T had unlawfully monopolized the telecommunications market. After years of preparation and several months of trials related to this antitrust suit, the government and AT&T resolved their differences out of court, agreeing to a consent decree in January 1982. This is also sometimes called the Modified Final Judgment, or MFJ, since the settlement modified a 1956 consent decree also involving AT&T.

According to terms of Divestiture, the 22 operating Bell telephone companies were formed into seven regional holding companies of roughly equal size. Bell Atlantic was one of the original seven RBOCs, or Baby Bells, that began operations in 1984.



When it was formed, Bell Atlantic was based in Philadelphia and consisted of several telephone companies (Bell of Pennsylvania; C&P Telephone Companies of D.C., Maryland, Virginia and West Virginia; Diamond State Telephone, and New Jersey Bell) serving six states (Delaware, Maryland, New Jersey, Pennsylvania, Virginia and West Virginia) and the District of Columbia.

One key regulatory restriction imposed by Divestiture on all of the RBOCs was a prohibition against providing long-distance telephone services in their own jurisdictions. The MFJ had divided the United States into geographic areas within which an RBOC could offer telecommunications services. These areas are called Local Access and Transport Areas, or LATAs. Local telecommunications services are called intra-LATA, while long-distance services are called interLATA. (Area codes and LATAs do not necessarily share boundaries; New York state, for example, has eight LATAs and a dozen area codes. A similar and frequently-used industry abbreviation is NNX, which refers to the three digits that follow an area code in a 10-digit phone number.)

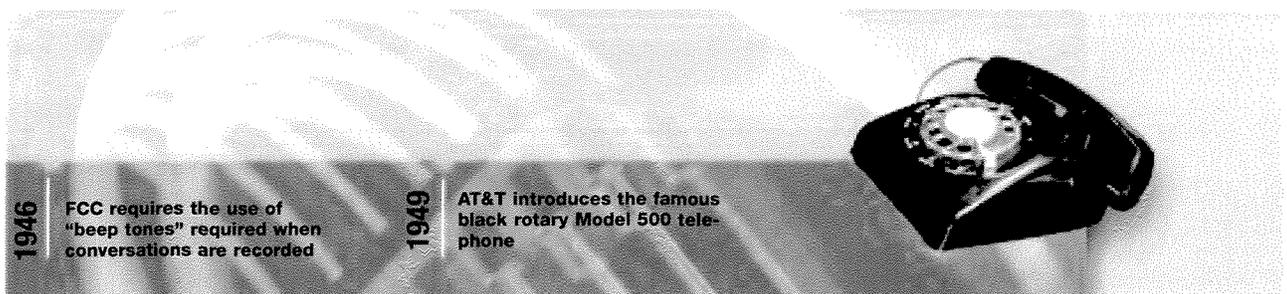
GTE: The Largest Independent

There were more than 1,400 local phone companies in 1984 that were never part of the Bell System. Many still exist today, primarily in rural areas. Typical independents are family-owned businesses or subscriber-owned cooperatives that serve one or more small communities.

The independent telephone industry originated in 1893, when Alexander Graham Bell's original patents expired. In the early years of this industry, customers of independent telephone companies could only call other customers served by the same company.

GTE, before its merger with Bell Atlantic, was the largest independent phone company in the United States, owning numerous independent local telephone properties in rural and urban areas from Hawaii and California to Virginia.

This distinction between "former Bell System" and "independent" meant that Bell Atlantic and GTE had historically been regulated very differently. For example, GTE was already providing long-distance (inter-LATA) services to customers at the time the merger with Bell Atlantic was announced. GTE had owned and operated the Sprint long-distance network during parts of the 1980s and 1990s. However, as a result of a consent decree entered into by GTE in connection with its acquisition of the Sprint network, GTE was required to keep its Sprint business separate from the business conducted by its telephone operating companies. GTE re-entered the long-distance business in conjunction with its local telephone operations shortly after the Telecommunications Act of 1996 eliminated these separation restrictions.



On the other hand, as a former Baby Bell, Bell Atlantic's entry into the long-distance business had been subject to greater restrictions. Under Section 271 of the Telecommunications Act, federal regulators must certify, with input from state regulators and the DOJ, that local telecommunications markets are fully open to competition before a former Baby Bell can be approved to offer long-distance service in a jurisdiction.

Bell Atlantic was the first of the former Baby Bells to file a Section 271 application that was approved by the FCC, and the company had entered the long-distance market in New York state in January 2000. However, at the time of the Bell Atlantic - GTE merger in June 2000, regulators did not want to allow Verizon to have operational control of GTE's Internet infrastructure business, which operated across LATA boundaries in all states, before Verizon had Section 271 approvals in almost all of the former Bell Atlantic states (which occurred in 2003). Therefore, one condition to the FCC's approval of the Bell Atlantic - GTE merger was the spin-off of this interLATA data business — an independent company called Genuity.

The History of Bell Atlantic

One of the most significant evolutionary steps for Bell Atlantic was a June 1994 agreement to form a wireless joint partnership with NYNEX, another of the original seven Baby Bells that began operations in 1984. The combined wireless businesses were to cover 55 million potential customers along the East Coast and in the Southwest. This combination began operations in July 1995 under the name Bell Atlantic NYNEX Mobile.

NYNEX (pronounced "NINE-x"), based in New York, was so named because it was composed of the New York and New England telephone companies that were formerly part of the Bell System ("NY" representing New York, "NE" representing New England, and "X" the undefined future). It operated in seven Northeastern states — Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont. For a decade, New York Telephone and New England Telephone were branded independently, but under Ivan Seidenberg's direction, operations were internally "merged" under a single NYNEX brand on Jan. 1, 1994.

The Bell Atlantic - NYNEX wireless partnership marked the beginnings of the current-day Verizon Wireless.

This partnership also began a relationship between the two RBOCs that resulted in an announcement on April 22, 1996, that Bell Atlantic and NYNEX had agreed to merge their entire operations in a transaction then valued at \$23 billion. On April 1, 1996 — less than two months after the signing of the Telecommunications Act — two other Baby Bells (SBC Communications and Pacific Telesis) had also proposed a merger, and more than a year of regulatory review and approvals followed for each.

The Bell Atlantic - NYNEX merger united a natural market in the adjoining Northeast and Mid-Atlantic regions. The "new" Bell Atlantic opened for business on Aug. 15, 1997. As announced when the merger agreement was struck, the company retained the Bell Atlantic name and was headquartered in New York. Raymond W. Smith retained the title of Chairman and CEO of Bell Atlantic after the merger, and



Seidenberg, who was formerly Chairman and CEO of NYNEX, became the Vice Chairman, President and Chief Operating Officer. Seidenberg was later named CEO, then Chairman upon Smith's retirement at the end of 1998.

Even before their merger, both Bell Atlantic and NYNEX had been making headlines since the 1984 Divestiture. Under Seidenberg, NYNEX was widely recognized as among the first of the Baby Bells to embrace the new competitive era codified by the Telecommunications Act of 1996, and throughout the '90s Bell Atlantic's Smith articulated a vision for the Information Superhighway made possible by the fledgling Internet.

The companies produced a string of "firsts" in the post-Divestiture telecommunications industry. Bell Atlantic was the first in the nation to offer Caller ID service, which was introduced in New Jersey in 1988. In 1990, Delaware became the first state with border-to-border cellular service, which was provided by Bell Atlantic Mobile. In 1993, NYNEX introduced the technology of voice-activated dialing into the "public switched network," the predominantly landline network that is accessible to anyone using a telephone.

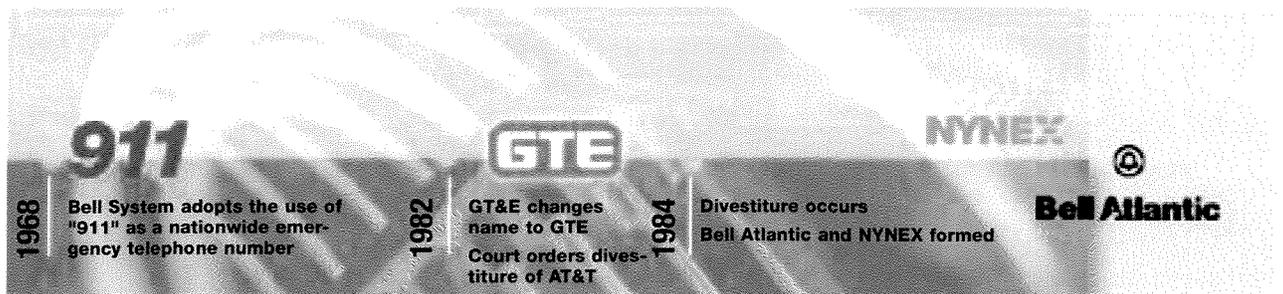
Also in 1993, Bell Atlantic proposed a merger with cable TV giant Tele-Communications Inc. — a high-profile deal later terminated by Bell Atlantic, but one that dramatically accelerated the pace of change in the industry, making it clear that convergence of digital technologies and industry consolidation were the way of the future.

Bell System History

Before 1984, as part of the Bell System, the histories of Bell Atlantic and NYNEX followed similar paths. They were, in fact, part of one management system, promulgated in 1908. Theodore N. Vail, the then-new president of AT&T, set forth a vision that would define the Bell System for many years to come — "One Policy, One System, Universal Service."

The Bell System has a long and storied history, dating back to the very invention of the telephone and the first patent filed by Bell, applied for on Feb. 14, 1876, and granted on March 7, 1876. Three days later, the inventor dropped a battery, spilling acid. He called out to his assistant, "Mr. Watson, come here!," and Watson heard Bell's words over the new device.

Many books and other educational resources are available that chronicle the history of the Bell System — from 1917 when exchange names ("Pennsylvania 6") were first added to four-digit phone numbers in New York (a practice that began to be phased out in 1960 with the introduction of "all number calling"), to the first public demonstration of the newly invented transistor by Bell Telephone Laboratories in 1948, to the introduction of Picturephone service coincident with the 1964 World's Fair.



An underlying theme of Bell System culture has been an attention to customer service — whether exhibited by a bedrock commitment to protect customer privacy or by the heroic efforts of phone company managers and technicians to restore essential services following disasters.

This service ethic is often depicted by a Bell System-commissioned painting, “The Spirit of Service,” based on a photograph of New England Bell lineman Angus Macdonald in snowshoes, maintaining the only long-distance telephone lines between New York and Boston during the Great Blizzard of 1888. Bell System communications lines had stayed open during the severe March storm that otherwise had paralyzed the Northeast.

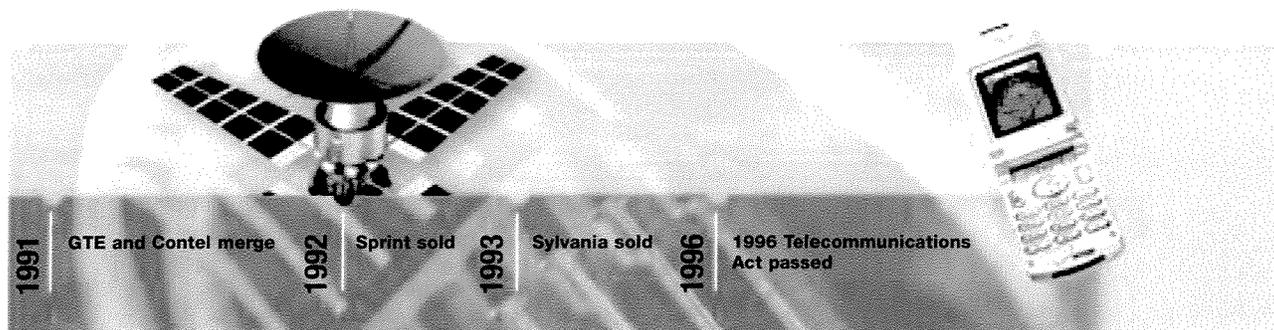
Examples of the Spirit of Service abound throughout the history of the Bell Atlantic and NYNEX telephone companies. On Feb. 27, 1975, a fire of unknown origin swept through a New York Telephone central office in lower Manhattan, causing the worst service disaster ever suffered by a single Bell operating company. The company restored lines serving more than 170,000 phones within 22 days — a technological feat that, at the time, would normally have taken a year or more. The restoration effort was dubbed “The Miracle of Second Avenue.”

More recently, this spirit was exemplified by Verizon’s restoration efforts following the terrorist attacks on Sept. 11, 2001.

These restoration efforts were enhanced by the scale and scope Verizon had obtained through the merger of Bell Atlantic and GTE, together with the cooperation of other companies in a now fully competitive industry. In New York, Verizon employees responded to the emergency by helping the NYSE resume trading and handle record volumes less than a week after the attacks on the World Trade Center. At crash sites in Pennsylvania and at the Pentagon, employees provided emergency services and rebuilt systems. In less than 90 days, Verizon had restored a phone and data network at Ground Zero of roughly the size and complexity of one serving a city the size of Cincinnati. [More information about this effort can be found at <http://newscenter.verizon.com/wtc2/>]

The History of GTE

The early GTE structure was forged primarily through an aggressive history of acquisitions and mergers — beginning with the acquisition of hundreds of small telephone companies independent of the Bell System. These companies had been formed following the 1894 expiration of the last of the telephone patents granted to Bell. This expansion movement reached its zenith in the late 1950s with the combination of three large corporations that formed the nucleus of the GTE as it was structured in 1990: General Telephone, Theodore Gary and Co., and Sylvania Electric Products Inc.



HISTORY OF VERIZON COMMUNICATIONS INC.

GTE was conceived as a corporate entity in 1918 when John F. O'Connell, Sigurd L. Odegard and John A. Pratt purchased the small Richland Telephone Co. in Wisconsin. The partnership became a corporation two years later, with the acquisition of other Wisconsin telephone properties. Later, the corporation purchased a Long Beach, Calif., telephone company, and a holding company called Associated Telephone Utilities Co. was organized in 1926 to serve as an umbrella for the Wisconsin and California properties.

Associated Telephone Utilities served 500,000 telephones before the stock market crash of 1929 and the Great Depression that followed. Depleted financial resources forced the corporation into receivership in 1933, but it emerged two years later, reorganized as General Telephone Corp.

The Missouri roots of Theodore Gary and Co. stretched back even further than those of Associated Telephone Utilities. Gary purchased the Macon, Mo., telephone exchange in 1897. Bitter competition developed when American Bell Telephone Co., AT&T's predecessor, tried to wipe out the independent telephone companies, sometimes leading to physical violence. The resolution of this conflict was the previously mentioned 1913 Kingsbury Commitment.

In the meantime, Gary was acquiring domestic and international telephone companies at a rapid rate. Theodore Gary and Co. and General Telephone were the two largest independent telephone companies in the United States when they merged in 1955.

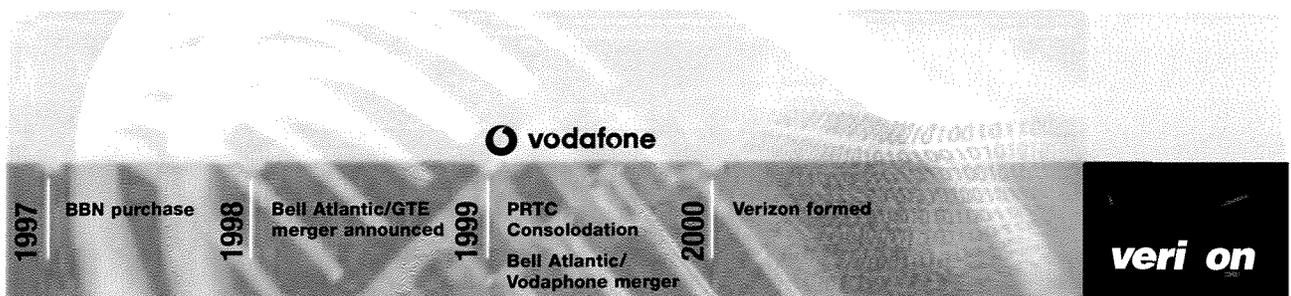
Sylvania Electric Products began modestly in the 1910s in Massachusetts and Pennsylvania as a renewer of burnt-out light bulbs. Operations in both states moved on to production of new lamps and then to vacuum tubes in the 1920s, when radio broadcasting became increasingly popular. In 1931, the Massachusetts and Pennsylvania companies merged to become Hygrade Sylvania Corp., later Sylvania Electric Products. By the time it merged with General Telephone in 1959, Sylvania had become a leader in electronics, lighting, television and radio, and chemistry and metallurgy.

After this 1959 merger, the company became known as General Telephone & Electronics Corp. Donald C. Power, the first major architect of what was to become GTE, engineered General Telephone's mergers with Theodore Gary and Co. and Sylvania. As head of General Telephone, Power advocated a decentralized management, and operations of the three companies were not integrated. In addition to telephone company operations, the conglomerate-styled business participated in a diverse range of enterprises, producing a remarkable range of products over the following decades, including halogen automobile headlights, cutting tools, telecommunications equipment, cameras, television sets, atomic-reactor fuel elements, anti-missile defense systems, and space frame systems for buildings.

During this time, the holding company, based in New York, became known as GT&E Corp. In March 1970, blasts ripped through the headquarters buildings of GT&E and two other companies in New York; the terrorist group responsible was protesting the companies' participation in defense work at the height of the Vietnam War. In December 1970, GT&E announced that the company would move its world headquarters

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TELECOM
TIMELINE



verizon

to Stamford, Conn. In 1971, the company adopted a new corporate symbol that became a widely recognized logo in the years to come, featuring the initials GTE placed inside a blue, rounded rectangle, and the company formally changed its name to GTE Corp. in 1982.

In 1981, the company sold its electronics holdings to North American Philips, a subsidiary of N.V. Philips, Europe's largest electronics company. Meanwhile, in moves in the telecommunications businesses, GTE Mobilnet was formed to construct and operate cellular systems in 1981 (the first customers were served in 1984 in the Indianapolis area, and in 1989 GTE was the first cellular provider to offer service nationwide). In 1983, the company bought infant long-distance carrier U.S. Sprint from Southern Pacific Co. Five years later, GTE sold its controlling interest in what was then called GTE Sprint to United Telecommunications Inc.; the remainder was sold in 1992.

By the end of the '80s, GTE was a corporation with annual revenues exceeding \$17 billion, employing more than 159,000 people in various telephone and manufacturing operations throughout the United States and some 40 other countries. GTE and its business operations had spanned the turbulent years from the industrial revolution to the beginnings of the information revolution.

GTE in the '90s

Under the leadership of James L. "Rocky" Johnson, who became GTE's Chairman and CEO in 1987, and Chuck Lee, who became Chairman and CEO-elect in late 1991, GTE focused its operations on local telecommunications and on the burgeoning market for data services. GTE anticipated the growing importance of telecommunications technology and the technological shift from analog to digital. By mid-decade, as data traffic was becoming more common than voice traffic on telephone networks, GTE was well positioned in key growth markets.

As early as 1990 in Cerritos, Calif., GTE began market testing of how to provide voice, data and video services over a range of transmission networks, including fiber optics, coaxial cable and the copper wiring traditionally used in the phone industry.

In March 1991, GTE acquired Contel Corp., which was the 10th largest telephone company in the United States and the 6th largest cellular provider. At the time, it was the largest merger in the history of the telecommunications industry. The transaction was valued at \$6.6 billion, and in its new form GTE became the largest U.S.-based local telephone company and the country's second largest mobile cellular company. (McCaw Cellular, which was subsequently purchased by AT&T, was the largest cellular company at the time.)



HISTORY OF VERIZON COMMUNICATIONS INC.

In January 1993, GTE sold its Sylvania lighting and related precision materials operations to OSRAM GmbH.

Later in 1993, GTE began offering Internet access services for residential and business customers. In 1997, GTE secured its position as a major provider of Internet services with the purchase of Internet pioneer BBN Corp.

In October 1997, GTE made headlines worldwide with a cash offer to acquire MCI Communications Corp., a long-distance company that had already been targeted for acquisition by British Telecommunications PLC and WorldCom Inc. In November, MCI accepted WorldCom's counter-offer.

In 1999, a GTE-led consortium completed the purchase of a controlling stake in the Puerto Rico Telephone Co. — the culmination of a series of complementary wireline and wireless acquisitions, partnerships and investments that Bell Atlantic and GTE had engaged in internationally, particularly in the Americas, prior to the close of the merger that formed Verizon.

Sources:

Verizon Media Relations, archived press releases.

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For further information, contact: robert.a.varettoni@verizon.com.

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