

History of Verizon Communications

Updated March 2023



verizon^v

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Company overview

Verizon Communications is one of the world's leading providers of award-winning technology and communications services. Since its founding on June 30, 2000, it has grown its global presence and expanded its data, video and voice services and solutions. Throughout, it has constantly rewarded the trust of the customers, employees and shareholders who make innovation possible. Verizon creates the networks that move the world forward.

\$136.8B

2022 revenue

\$176.3B

invested in the network
since 2000

99%

Fortune 500 customers
served as of 2022

150+

countries served
as of 2022

**Nearly
1,500**

retail locations
as of 2022

Net zero

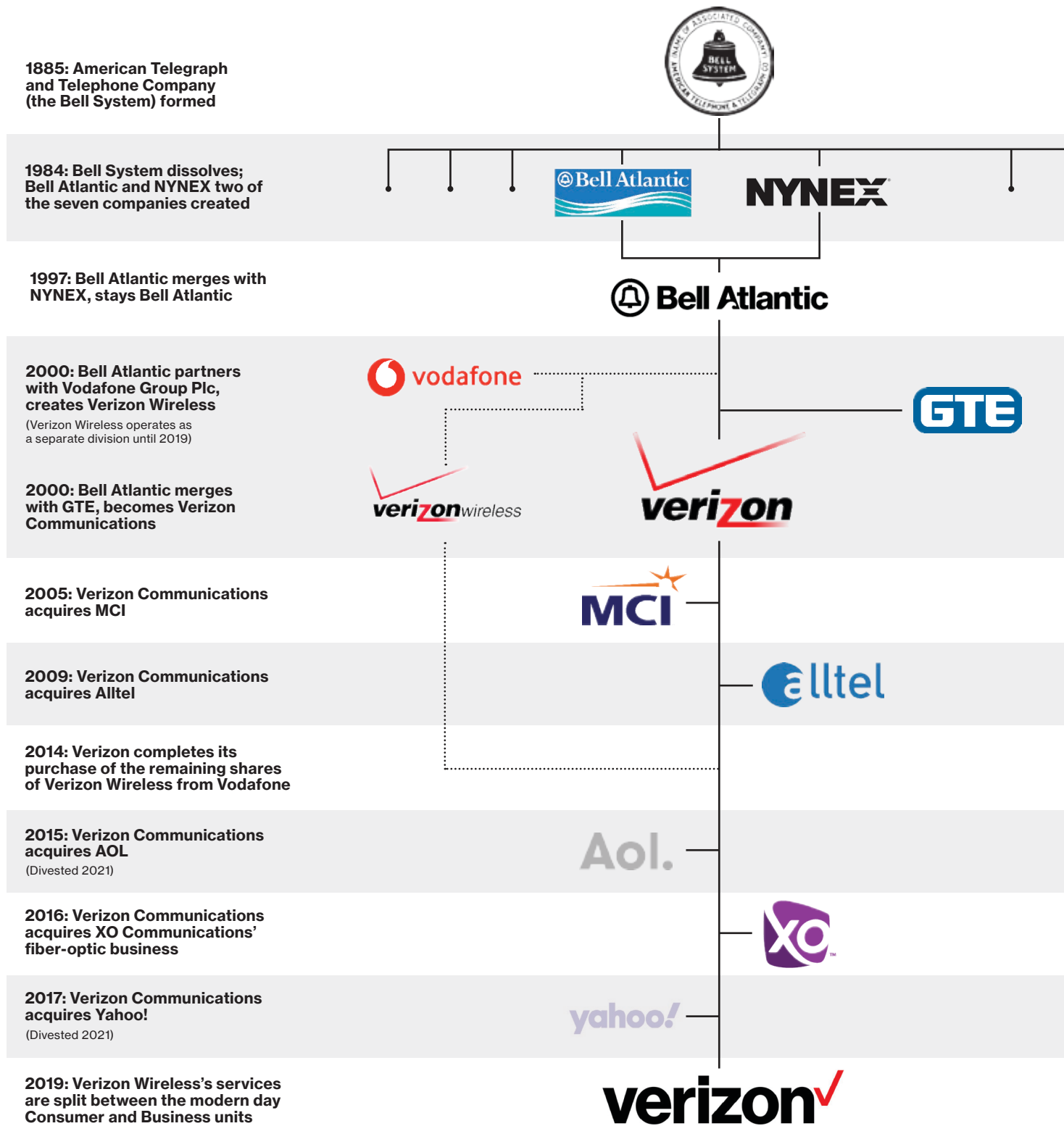
Verizon's goal for operational
emissions by 2035



The Verizon Story

Explore how Verizon has been tied to the history of telecommunications since Alexander Graham Bell made his first historic phone call in this bold and innovative virtual experience.

Verizon's evolution



Founding



Verizon was established on June 30, 2000, thanks to a series of mergers and a key partnership at the dawn of the 21st century.

Founding Verizon

Three events paved the way for the birth of Verizon: the Bell Atlantic-NYNEX merger in August 1997, the creation of Verizon Wireless in April 2000 and the Bell Atlantic-GTE merger in June 2000.

The Bell Atlantic-NYNEX merger

Bell Atlantic and NYNEX were two of the seven companies created after the Bell System's dissolution in 1984 as part of a 1982 settlement in the antitrust lawsuit *United States v. AT&T* (see Appendix). Ten years after the Bell System's breakup, Bell Atlantic and NYNEX agreed to form a wireless joint partnership in June 1994. This combination began operations in July 1995 under the name Bell Atlantic NYNEX Mobile. Their combined wireless businesses covered 55 million potential customers along the East Coast and in the Southwest.

The Bell Atlantic NYNEX Mobile partnership set the stage for a full merger between the two companies. On April 22, 1996, Bell Atlantic and NYNEX agreed to the merger, valued at \$23 billion, which federal regulators approved on August 15 the next year. At the time, the partnership between Bell Atlantic and NYNEX was the second-largest merger in corporate American history.

Learn more

[The Bell System](#)

The creation of Verizon Wireless

On September 21, 1999, Bell Atlantic and London-based Vodafone AirTouch Plc (now Vodafone Group Plc) announced that they would create a new wireless business—with a national footprint, a single brand and a common digital technology—composed of Bell Atlantic and Vodafone's U.S. wireless assets. The new "Verizon" brand launched on April 3, 2000, and Verizon Wireless began operations on April 4 as part of Bell Atlantic. After Verizon Communications formed a few months later in June 2000, it became the majority owner (55 percent) of Verizon Wireless, with management control of the joint venture.

The Bell Atlantic-GTE merger

Before their merger, GTE and Bell Atlantic were two of the world's largest telecommunications companies. GTE and Bell Atlantic had 1999 revenues of over \$25 billion and \$33 billion, respectively. Pre-merger, they served a combined 78 million access lines, or individual landline connections from customers' premises to the telecommunications network. The two companies were leading wireless operators in the U.S., with a combined total of 95 million wireless customers pre-merger. Both also had major international investments and subsidiaries, and Bell Atlantic's Directory Services was the world's largest publisher of directory information.

Bell Atlantic and GTE initiated the merger on July 27, 1998. It closed two years later. GTE's wireless operations became part of Verizon Wireless, creating the nation's largest wireless company. Verizon began trading on the New York Stock Exchange (NYSE) under the VZ symbol on Monday, July 3, 2000. It also began trading on the NASDAQ exchange under the same symbol on March 10, 2010. Ivan Seidenberg and Charles R. Lee, the respective leaders of Bell Atlantic and GTE, shared management responsibility for the company. Seidenberg became Verizon's founding President and co-CEO, while Lee became Verizon's founding Chairman of the Board and co-CEO. In keeping with a leadership transition plan announced at the time of the merger, Lee retired from Verizon in 2002.

The newly created Verizon Communications had the scale and scope to lead as one of the telecommunications industry's top-tier companies.

The Verizon name

The name Verizon combines two words that reflect the company's ethos: *veritas*, a Latin word connoting certainty and reliability, and *horizon*, signifying "forward-looking" and "visionary."

veritas + horizon

Organization



Verizon's organizational structure enables the company to provide the highest level of service to customers, investors and communities.

Organization

Today, Verizon Communications operates two strategic business units: Verizon Consumer Group (Consumer) and Verizon Business Group (Business). It operated a third business unit, Verizon Media Group, until September 1, 2021, when Verizon sold the unit.

The Consumer Group provides consumer-focused mobility and nationwide broadband services and products. Verizon provides wireline services in nine Northeastern and Mid-Atlantic states, as well as Washington, D.C., over its 100 percent fiber-optic network through Verizon Fios.

The Business segment provides wireless and wireline communications services and products, including data, video and conferencing services, corporate networking solutions, security and managed network services, local and long distance voice services, and network access to deliver various Internet of Things (IoT) services and products. It also provides FWA broadband through its wireless networks. Verizon provides these products and services to businesses, government customers and wireless and wireline carriers across the U.S. and select products and services to customers around the world.



Meet Verizon's executive leadership

Verizon CEOs



Hans Vestberg
(2018–present)



Lowell C. McAdam
(2011–2018)



Ivan Seidenberg
CEO (2002–2011)
Co-CEO with Lee (2000–2002)



Charles Lee
Co-CEO with Seidenberg
(2000–2002)

Network



Never satisfied, Verizon has always made the investments necessary to ensure that it is building the network of tomorrow.

Network evolution

Since the early 1980s, Verizon and its predecessor companies have been leaders in driving successive generations of cellular networks. Compared to 3G, for example, 4G enabled wireless broadband, high-definition video and audio streaming, and reduced network congestion. Each generation has built on its predecessors while expanding the possibilities of a cellular network.

1G

Bell Labs tested the first cellular system (first generation, or 1G) in 1978 and launched it in 1983. 1G used analog technology to enable cellular voice calls.

2G

In 1991, 2G switched cellular networks from analog to digital, allowing for digitally encrypted calls and the transmission of multimedia files and texts. Bell Atlantic was a major proponent of 2G and its associated technologies, particularly Qualcomm's CDMA (Code Division Multiple Access), which allowed cellular systems to handle digital calls.

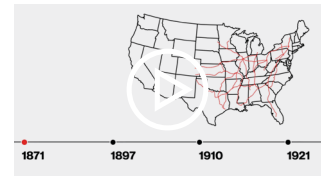
3G

In September 2003, Verizon began testing 3G in markets in and around Washington, D.C. and San Diego. The service rolled out in January 2004 with Verizon as the first U.S. provider to launch the service in major markets. With 3G, cellular networks began providing what are now commonplace services—browsing the internet, accessing maps, video conferencing and more.

4G

Four years after launching its 3G service, Verizon began laying the foundation for 4G technology. At the FCC's 700 MHz auction in March 2008, Verizon invested \$9.4 billion in a nationwide spectrum footprint plus 102 spectrum licenses for individual U.S. markets. Using this spectrum, Verizon launched its 4G LTE (fourth-generation Long Term Evolution) mobile broadband network in December 2010. It was the most advanced 4G network in the U.S., enabling streaming audio and video and covering one-third of all Americans and 38 major metropolitan areas. Verizon put its 4G LTE service in place a full two years ahead of the competition.

Verizon quickly built on its 4G LTE network, expanding into an additional 140 markets by the end of 2011. The iPhone 5, the first to support LTE, was released in September 2012. By year-end 2015, Verizon's 4G LTE network covered approximately 312 million people in the U.S., including those in areas served by the company's LTE in Rural America partners.



The evolution of the network

Watch this video to see how Verizon and its predecessor companies have been leaders for 130+ years of telecommunications history.

5G

5G emerged in the mid-2010s, with a goal of lower latency (the delay involved in data transfer) and speeds up to 100 times faster than 4G. And unlike 4G, which operates on a small part of the available spectrum from 600 MHz to 2.5 GHz, 5G operates on three different bands that have their own frequency range, speed and use cases. As IoT devices become more widespread, for example, using the 5G network should ensure those devices will not be competing for the same slice of bandwidth.

Starting in 2016, Verizon was a major innovator in 5G wireless technology. That year, the company stress-tested 5G across a variety of geographies, topographies and building types in 11 cities across the country. Verizon also bolstered its 5G capabilities with a number of acquisitions and purchases. In 2017, Verizon purchased XO Communications' fiber business, leased certain wireless spectrum from NextLink Wireless (a former XO affiliate), signed a three-year agreement with Corning to buy up to 12.4 million miles of optical fiber per year from 2018 through 2020, acquired Straight Path Communications and its millimeter wave spectrum assets for \$3.1 billion in stock, and purchased WideOpenWest's fiber-optic assets in the Chicago market for \$225 million. In March 2021, Verizon announced a three-year, \$10 billion plan to offer in-home broadband services to up to 50 million households, or around 41 percent of the U.S. population, by 2024.

Verizon's 5G Ultra Wideband network uses end-to-end fiber resources alongside high band (mmWave) and mid-band (C-band) spectrum to deliver significantly higher speeds than 4G LTE. Verizon's multi-access edge computing technology for business significantly reduces latency by processing and storing data at the network's edge instead of a distant data center.



What is 5G and why does it matter?

Products and services



Since day one, Verizon has provided customers with the solutions they need to do amazing things.

Products and services

Verizon's Consumer and Business units provide distinct offerings for residential and business customers. Additionally, Verizon has acquired a number of subsidiaries that provide services across both business units.

Consumer products and services

Wireline broadband and wireless technology have always been central to the Consumer unit's offerings. In 2004, Verizon embarked on an industry-leading initiative to bring customers the next generation of broadband services, fiber-optic-based internet and video services called Fios. The launch of Fios marked the beginning of Verizon's decadeslong commitment to fiber-optic broadband. From 2004 through 2015, the company invested more than \$25 billion to deploy its fiber network, passing 20.5 million premises in the U.S. as of year-end 2015.

Verizon's focus on wireless technology and wireline broadband led to strategic divestments. From 2008 to 2016, Verizon spun off wireline businesses in 19 states to FairPoint Communications, Inc. and Frontier Communications Corp. In addition, in 2006, Verizon spun off its U.S. print and internet Yellow Pages directories company to Verizon shareholders. Verizon also sold its interests in telecommunications providers in the Dominican Republic, Puerto Rico and Venezuela in three separate transactions in 2006 and 2007 to América Móvil, a Latin American wireless service provider, and a company owned jointly by Teléfonos de México (Mexico's leading full-service telecommunications company) and América Móvil.

In August 2008, Verizon Wireless expanded to many rural markets by completing its purchase of Rural Cellular Corp. for \$2.7 billion in cash and assumed debt. Verizon Wireless expanded network coverage to nearly the entire U.S. population by purchasing Alltel from Atlantis Holdings LLC in January 2009 for approximately \$5.9 billion, also assuming approximately \$22.2 billion of Alltel debt.

Verizon's largest wireless investment occurred in February 2014 when it completed its acquisition of Vodafone's 45 percent indirect interest in Verizon Wireless, a transaction valued at approximately \$130 billion. The transaction gave Verizon full ownership of the U.S. wireless industry leader in network performance, profitability and cash flow. More recently, in November 2021, Verizon acquired longtime partner TracFone Wireless, the largest reseller of wireless services in the U.S., with its approximately 20 million subscribers and network of more than 90,000 retail locations nationwide. More than 13 million TracFone subscribers already relied on Verizon's wireless network through an existing wholesale arrangement.

Verizon's current Consumer offerings include:

- LTE and 5G Home Internet
- Mobile Device Plans and Entertainment Add-ons (prepaid and postpaid)
- Mobile Accessories
- Device and Home Insurance Products
- Verizon Visa Card
- Fios Home Internet, TV and Phone

Serving customers with great networks is our heritage, our future and our daily challenge. It's what we do.

Ivan Seidenberg
Former CEO



Business products and services

The predecessor to Verizon's modern Business unit came into being on February 14, 2005, when Verizon acquired MCI Communications Corp. The acquisition enhanced Verizon's ability to deliver the benefits of converged communications, information and entertainment across the U.S. and around the world. The merger closed on January 6, 2006, in a transaction valued at approximately \$8.5 billion. The MCI purchase led to the creation of Verizon Enterprise Services as a new division to serve the company's business and government customers.

In January 2011, Verizon announced an agreement to acquire Terremark Worldwide Inc., a global provider of managed IT infrastructure and cloud services, for a total equity value of \$1.4 billion. The transaction closed in April 2011 and accelerated Verizon's strategy to deliver a portfolio of highly secure, scalable on-demand solutions to business and government customers around the world and expand its global footprint—building on the global network capabilities that Verizon gained through its acquisition of MCI. To complement the Terremark acquisition, Verizon acquired CloudSwitch, an innovative provider of cloud software technology, in August 2011.

Verizon's acquisitions in cybersecurity and the Internet of Things (IoT) became a key part of the Business unit's offerings. The IoT refers to a network of ordinary household items, industrial tools and more that communicate with each other via the internet. In May 2007, Verizon announced an agreement to acquire Cybertrust, a privately held provider of global information security services. Verizon acquired Hughes Telematics in July 2012 and Fleetmatics in November 2016, expanding its capabilities in the automotive and fleet telematics marketplace and helping accelerate growth in emerging IoT applications.

Verizon's strategy to simplify the IoT and accelerate its adoption included the 2015 launch of ThingSpace, an IoT platform designed to help developers create, test, manage and market their IoT-based solutions aimed at major vertical markets, such as energy, health care and connected cities. In November 2016, Verizon acquired Social Radar and used its technology to enhance MapQuest. Verizon's 2018 purchase of Niddel added machine-learning-based automated threat hunting to the Business unit's capabilities. Verizon also invested heavily in the Unified Communications and Collaboration as a Service (UCCaaS) space through its Advanced Communications portfolio and acquisition of BlueJeans Network in April 2020 (closed in May 2020).

Verizon's current Business offerings and solutions include:

- Fixed Wireless Access
- Private Networking
- Network as a Service
- Mobile Device Plans
- Business Internet
- Contact Center and CX Solutions
- Networks
- Security
- Tech Support Services
- Voice and Collaboration

Verizon Business is a single-provider destination for IoT, with solutions spanning broadband and narrowband, 5G and LTE, and intelligence, hardware and management, for applications across industries.

T.J. Fox
Senior vice president of Industrial IoT and Automotive, Verizon Business

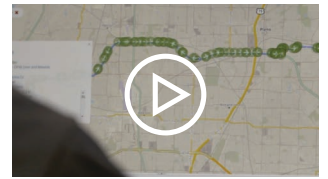


Other Verizon brands and services

In addition to its Consumer and Business units, Verizon operates a number of subsidiaries and sub-brands that deliver value to customers. One major area of focus was digital media capabilities. In November 2013, Verizon acquired the assets and operations of upLynk, a leading technology and television cloud company. One month later, the company announced an agreement to acquire EdgeCast, an industry leader in content delivery networks. Verizon completed this flurry of digital media acquisitions in January 2014 when it purchased the assets of Intel Media, a business division dedicated to the development of cloud TV products and services. These three businesses were integrated into the Verizon Digital Media Services (DMS) organization, which used world-class technology to help companies prepare, deliver and display digital media content including video, web pages, applications, mobile ads and live events on any screen.

Verizon's modern brands and offerings include:

- BlueJeans (a cloud-based video conferencing and events platform)
- Hum (car maintenance and monitoring via the Verizon network)
- Visible (affordable wireless plans)
- Verizon Connect (fleet management software)
- Verizon Robotics (software and connectivity solutions optimized for robotics, harnessing the power of the Verizon 5G network)
- Thingspace (IoT device management on the Verizon network)



Fleet telematics

Verizon Connect provides fleet telematics solutions for Verizon customers, ensuring they have access to real-time data on any vehicle and more.



What is the Internet of Things?

Mergers, acquisitions & divestitures

Verizon has built and reinforced its dominance in the telecommunications industry with key mergers and acquisitions, allowing Verizon to push the boundaries of innovation, product offerings and customer service.

| | |
|------|---|
| 2005 | MCI Communications |
| 2007 | Cybertrust |
| 2008 | Rural Cellular Corp. |
| 2009 | Alltel |
| 2011 | Terramark Worldwide Inc. • Cloudswitch |
| 2012 | Hughes Telematics |
| 2013 | upLynk • EdgeCast |
| 2014 | Intel Media |
| 2015 | AOL (divested 2021) |
| 2016 | XO Communications' fiber-optic network business Social Radar • Fleetmatics • Telogis • Sensity |
| 2017 | Straight Path Communications • Yahoo! (divested 2021) |
| 2018 | Niddel |
| 2020 | BlueJeans Network |
| 2021 | TracFone Wireless |

Culture



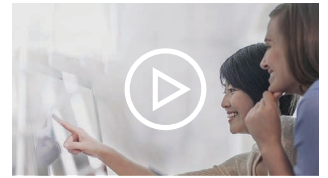
Verizon and its employees constantly strive to make the world a better place. The same spirit fuels its culture. Verizon’s collaborative, inclusive environment encourages authenticity and fosters a sense of belonging.

Culture commitments

As exemplified by V Teamers' 1 million collective volunteer hours to date, corporate social responsibility is integrated into the core of Verizon's business and everything it does.

The Verizon Credo

All Verizon employees are driven by a core set of values that enable them to best support their teammates and Verizon customers. In 2004, Verizon enshrined those values in the Verizon Credo. Nearly 20 years later, those values still guide Verizon today.



The Verizon Credo

Responsible business

Verizon launched Citizen Verizon in 2020, building on the company's history of corporate social responsibility. Citizen Verizon leverages Verizon's resources, technology and employees to move the world forward for everyone.

Citizen Verizon has ambitious goals to uplift vulnerable communities, help close the digital divide and contribute to the achievement of the United Nations Sustainable Development Goals (UN SDGs). This builds on a strong history; Verizon has long delivered tools necessary to help vulnerable communities thrive in the digital economy. Verizon Wireless donated computers to elementary and high school students in South Carolina in May 2000, one month after its founding. Verizon steadily increased the scale of its digital inclusion efforts through the 2010s. The Innovative Learning program began in summer 2012, and as of the 2022 school year, the program had provided 552,885 underserved middle school students across the country with technology, connectivity and immersive curricula to help close the digital divide. As of 2022, the Verizon Innovative Learning program has provided \$1 billion in market value toward digital equity and inclusion within education.

Climate protection is another pillar of Citizen Verizon. The company has made investments toward green infrastructure in its facilities. In 2013–2014, the company dedicated \$100M to solar power and fuel cells at 17 Verizon facilities. Since 2013, Verizon has installed 31.5 megawatts of on-site green energy. In February 2019, Verizon was the first U.S. telecom company to issue a green bond, raising nearly \$1 billion in net proceeds that was allocated to investments in renewable energy, energy efficiency, green buildings, sustainable water management, biodiversity and conservation. Today, Verizon is one of the largest corporate green bond issuers in the United States. The company's Green Team, a volunteer group focused on sustainability, operates in dozens of countries around the world. Its goal is for 50 percent of Verizon employees to be on the team by 2026. In addition, Verizon was named an ENERGY STAR Partner of the Year for the tenth consecutive year in 2022.

From the start, Verizon has demonstrated its commitment to advancing human prosperity by reskilling and upskilling vulnerable workers to help them succeed in the future economy, making a collective commitment to volunteerism, and fostering an inclusive environment for employees and suppliers. In 2000, Verizon was named one of America's "50 Best Companies for Minorities." Over the past 10 years, it has spent \$53 billion with diverse suppliers. Verizon launched the Pro Bono legal program in 2009 to provide free legal services to individuals and nonprofits in need. Today, Verizon's Skill Forward initiative, one of its CSR programs, promotes job creation and minimizes displacement as technology advances and disrupts today's job market.

Citizen Verizon

Launched on July 14, 2020, Citizen Verizon, the company's responsible business plan, included the following goals:

10M youths provided with digital skills training by 2030 – with more than 1.3 million youths reached as of 2021

1M small businesses provided with resources to thrive in the digital economy by 2030 – with more than 40,000 small businesses reached as of 2021

500,000 individuals prepared for the jobs of the future through skills training and mentorship by 2030 – with more than 6,100 individuals reached as of 2021

Net zero operational emissions by 2035 – with a 6.3 percent reduction in scope 1 and 2 emissions in 2021 over a 2019 baseline

50% of Verizon's annual electricity consumption backed by renewable energy by 2025 – with 2.6 GW of anticipated renewable energy capacity under contract in 2021 and expected to be online over the next three years

10M trees planted by 2030 – with more than 9.5 million trees planted as of 2021

Learn more

[Citizen Verizon](#)

Diversity and inclusion

Verizon creates an engaging and inclusive culture by providing equal opportunities regardless of race, national origin, gender, sexual orientation, gender identity or expression, disability, veteran/military status, age, experiences and ways of thinking.

Verizon's commitment to diversity starts at the top: As of December 13, 2022, its 12-member Board included four Directors who are women and five who are racially or ethnically diverse. Verizon's leaders take part in workshops exploring unconscious bias in the workplace. For college graduates of diverse backgrounds, Verizon offers Adfellows, a nine-month rotational fellowship program. Verizon employees can also find community and support in the company's numerous employee resource groups (ERGs), which provide forums for veterans, parents, women, and disabled, LGBTQ+, Latinx, Native American, Black and Asian American individuals.

Other modern diversity and inclusion efforts include Women of the World (WOW), a 12-month career development program where participants learn about their leadership style and gain new skills for personal and professional development, and Women's CoLab, which helps women re-enter the workforce and realize their career ambitions following the COVID-19 pandemic. In summer 2020, Verizon introduced a Racial Justice Action Plan centered on three core pillars: continuing the conversation, building a stronger organization and community engagement.

\$53B

total spend with diverse suppliers in the last 10 years

100%

pay equity in salary for women and men as of year-end 2021

59.7%

of U.S. employees are women or people of color as of year-end 2021

58%

of Verizon's board of directors are women or people of color as of year-end 2021



CEO Hans Vestberg champions racial equity

As calls for racial justice gained prominence in summer 2020, CEO Hans Vestberg delivered a message to his employees and the wider world in support of racial equity. Watch his speech here.

Appendix



Born from the old Bell System, Verizon traces its origins back to Alexander Graham Bell and the invention of the telephone.

Legacy companies

Verizon and its predecessor companies have shaped telecommunications history for over 130 years. Below is a brief history of the Bell System and the major telephone companies that helped form modern-day Verizon.

Bell System (1885-1984)

Alexander Graham Bell co-founded the American Telegraph and Telephone Company (AT&T) in 1885. AT&T's organizational structure, commonly known as the Bell System, was the dominant force in telecommunications in the U.S. for the next century. The Bell System came to an end in 1984 in response to the antitrust lawsuit *United States v. AT&T*. The lawsuit split the Bell System into seven independent Regional Bell Operating Companies (RBOCs). Bell Atlantic and NYNEX were two of these RBOCs.



Bell System

NYNEX (1984-1996)

NYNEX was composed of the New York and New England telephone companies that were formerly part of the Bell System. It derived its name from these companies: "NY" stood for New York, "NE" for New England and "X" for the undefined future. NYNEX 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 independently branded, but under Ivan Seidenberg's direction, their operations were internally merged under a single NYNEX brand on January 1, 1994.



NYNEX

Under Seidenberg, NYNEX was widely recognized as one of the first Baby Bells to embrace the new competitive era codified by the Telecommunications Act of 1996.

Bell Atlantic (1984-2000)

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.



Bell Atlantic

In 1994, Bell Atlantic and NYNEX formed a wireless joint partnership, Bell Atlantic NYNEX Mobile, that began operations in July 1995 and covered 55 million potential customers along the East Coast and in the Southwest. The joint venture set the stage for a merger of equals between Bell Atlantic and NYNEX in 1996 that was valued at \$23 billion and approved by federal regulators in 1997.

GTE (1926-2000)

Before its merger with Bell Atlantic, GTE was the largest independent phone company in the U.S., owning numerous independent local telephone properties in rural and urban areas. GTE was forged by a history of acquisitions and mergers, including its 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 Alexander Graham Bell.



GTE

GTE's expansion peaked in 1959 with the combination of three companies that formed the nucleus of early GTE: General Telephone, Theodore Gary and Co., and Sylvania Electric Products Inc. This nonintegrated conglomerate produced a wide range of products. However, the company focused on telecommunications in the '80s and '90s.

In 1981, the company formed GTE Mobilnet to construct and operate cellular systems.

In 1989, GTE Mobilnet—with wireless assets that are now part of Verizon Wireless—was the first cellular provider to offer service nationwide.

In 1983, GTE bought long-distance carrier U.S. Sprint from Southern Pacific Co. Five years later, GTE sold a controlling interest in GTE Sprint to United Telecommunications Inc.; it sold the remainder in 1992.

In 1990, GTE began market tests in Cerritos, California, 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 1991, GTE acquired Contel Corp. At the time, the \$6.6 billion transaction was the largest merger in telecommunications history, and GTE became the largest U.S.-based local telephone company and the country's second-largest wireless company. (McCaw Cellular, which AT&T subsequently purchased, was the largest wireless company at the time.)

In 1997, GTE made headlines with a cash offer to acquire MCI, which had already been targeted for acquisition by British Telecommunications PLC and WorldCom Inc. In November, MCI accepted WorldCom's counteroffer.

MCI

As a stand-alone company prior to its 2006 merger with Verizon, MCI was a global communications provider that delivered advanced communications connectivity to business, government and consumers.

MCI's early history dates to William G. McGowan, who organized Microwave Communications Inc. in 1968, when the FCC's Carterfone decision allowed competition with the Bell System for telephone equipment. The 1982 consent decree known as the Modification of Final Judgment (MFJ), which stipulated the breakup of the Bell System and opened the long-distance market to competition, was a turning point for MCI. It built out nationwide and international networks, established a vibrant brand, and grew so rapidly that by 1990 it had become one of the nation's largest telecommunications companies.

Before changing its name to MCI, Inc. in April 2003, the company was known as WorldCom. The \$37 billion transaction to form MCI WorldCom was the largest merger in U.S. corporate history when it was announced on November 10, 1997. It closed on September 15, 1998.

In March 2002, a request for information from the U.S. Securities and Exchange Commission (SEC) relating to accounting procedures and loans to officers led to the April 30, 2002, resignation of WorldCom CEO Bernard J. Ebbers. In June 2002, shares of WorldCom fell to as low as 9 cents, and the following month WorldCom filed for reorganization under Chapter 11 of the Bankruptcy Code.

By year-end 2002, under new leadership—including newly appointed CEO Michael Capellas—the company had already begun an unprecedented turnaround, sparked in part by its implementation of rigorous ethics and governance standards and policies. The company emerged from Chapter 11 protection as MCI in April 2004.

MCI's internet backbone network was the largest in the world based on company-owned points of presence. MCI had 2004 revenues of \$20.7 billion, and its expansive global IP network spanned more than 100,000 miles. It was organized into three units: Enterprise Markets, which included the company's accounts in business and government; U.S. Sales and Service, which included small, medium and large business customers; and International & Wholesale Markets.



MCI