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November 19, 2001

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Mr. Thomas Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

**Re: Transfer of Ownership of
Concert Communications Sales L.L.C.
from Joint Ultimate Ownership by
British Telecommunications plc and AT&T Corp.
to Sole Ultimate Ownership by
BT Group plc and British Telecommunications plc**

Dear Mr. Dorman:

British Telecommunications plc and BT Group plc (collectively "BT") hereby notify the Kentucky Public Service Commission (the "Commission") of the proposed transfer of control of Concert Communications Sales L.L.C. ("Concert") as described herein.

Concert was formed in 1999 as part of a joint venture of AT&T Corp. ("AT&T") and BT to provide global telecommunications services to large multinational enterprises. Currently, Concert, which is registered to provide intrastate long distance and local telecommunications services in Kentucky, 1/ is indirectly 50 percent owned by AT&T and indirectly 50 percent owned by BT. Pursuant to an agreement between AT&T, AT&T Communications of Jamaica L.L.C., BT, BT (Netherlands) Holding B.V., and Concert B.V., dated October 15, 2001, AT&T and BT will dissolve their joint venture, with BT becoming the 100 percent indirect owner of Concert. Consequently, in lieu of being 50 percent owned by each of AT&T and BT,

1/ Pursuant to the Commission's order in Administrative Case No. 359, Concert registered to provide intrastate long distance service as a reseller on June 3, 1999. On August 23, 1999, Concert registered to have that authority extended to the provision of local exchange service as a reseller by filing a proposed tariff covering those services.

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Concert will become a wholly owned direct subsidiary of BT North America Inc. ("BTNA"), which itself is an indirect, wholly owned subsidiary of BT. 2/ Concert will continue to hold its Kentucky registrations. Organizational charts depicting both the current and post-transaction ownership structure of Concert are attached hereto as Attachments A and B, respectively. 3/

Subsequent to the dissolution of the AT&T/BT joint venture, AT&T will no longer have an interest in Concert but will offer telecommunications services through its other subsidiaries and affiliates. Immediately upon dissolution of the joint venture, AT&T and BT will become competitors, each offering to serve the same type of customers now served by Concert and other providers of global telecommunications services.

Concert's name and service offerings, as reflected in its tariff, will not change as a result of the transaction. 4/ All of Concert's customer arrangements are individually negotiated with large businesses; Concert does not serve any residential or small business customers. Currently, Concert does not provide intrastate service to any customers in Kentucky.

After review of the applicable Kentucky statutes and Commission decisions, 5/ and after discussions with the Commission's staff, it is BT's understanding that prior Commission approval is not necessary to consummate the transaction described herein. However, according to the Commission's staff, prior notification of a change of control should be provided. This letter is intended to satisfy such requirement.

2/ On or about November 19, 2001, BT will be reorganized. As a result, BT Group, a newly formed company, will become the ultimate parent of BT. This is shown in Attachment B.

3/ The charts also note the pending reorganization of BT, which includes the formation of new companies in the vertical ownership chain above BT but no change in ultimate ownership or control.

4/ Of course, Concert may change its service offerings or its name in the future, and Concert will comply with any and all applicable Commission rules and policies at such time.

5/ See Administrative Case No. 359 (June 21, 1996); Administrative Case No. 370 (Jan. 8, 1998).

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Four copies, in addition to the original, of this letter are enclosed. Please return to the undersigned a date-stamped copy of this letter (an additional copy and a self-addressed, postage pre-paid envelope is enclosed). Please direct communications concerning this matter to the following:

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With a copy to:

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Respectfully submitted,

BT Group plc
British Telecommunications plc

By: Joel S. Winnik
Joel S. Winnik
Their attorney

cc: A. Sheba Chacko, BT Group Legal Services
Thelma M. Webster, Concert Communications Sales L.L.C.
Lawrence J. Lafaro, AT&T Corp.

ATTACHMENT A

CURRENT OWNERSHIP STRUCTURE OF CONCERT

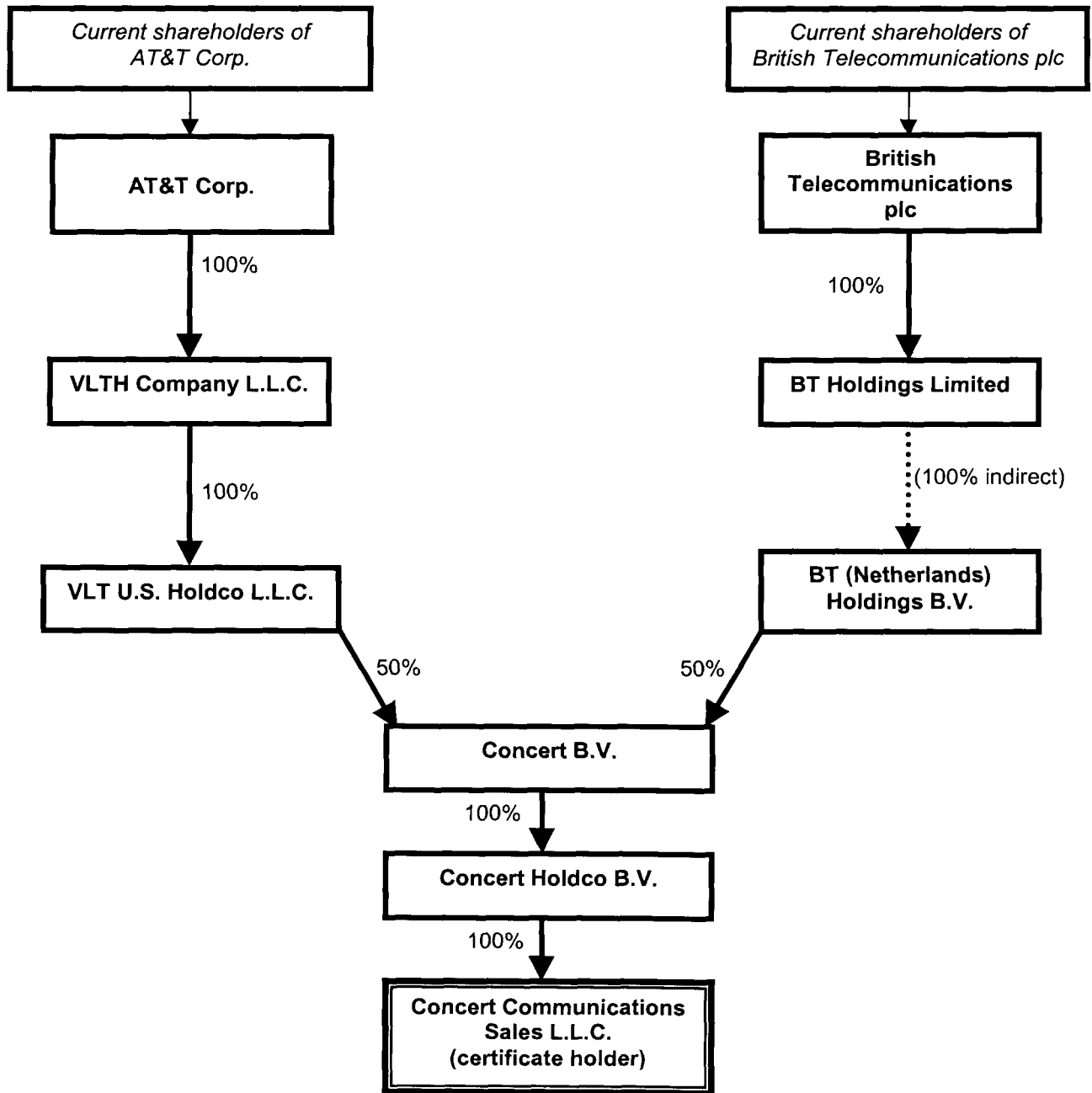


EXHIBIT B

POST-TRANSACTION OWNERSHIP STRUCTURE OF CONCERT

