

ORIGINAL



CABLE & WIRELESS

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PUBLIC SERVICE
COMMISSION
Cable & Wireless USA, Inc.

8219 Leesburg Pike
Vienna
Virginia 22182
www.cwusa.com

Telephone (703) 790-5300

October 18, 2000

Ms. Helen C. Helton
Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
Frankfort, Kentucky 40602

Re: Cable & Wireless USA, Inc. Notice of Change in State of Incorporation

Dear Ms. Helton:

Cable & Wireless USA, Inc. ("CWUSA" or the "Company"), submits this letter to inform the Kentucky Public Service Commission ("Commission") that the Company intends to change its state of incorporation. CWUSA is currently organized under the laws of the District of Columbia. Following the transaction, the Company will be a Delaware corporation. This change will enable the Company to operate in a more efficient manner, to the general benefit of consumers in the State of Kentucky.

CWUSA was organized as a corporation under the laws of the District of Columbia on March 18, 1975. The Company is a wholly-owned indirect subsidiary of Cable & Wireless plc ("C&W"), a publicly traded corporation organized under the laws of England and Wales. C&W has been a world leader in developing and providing telecommunications solutions around the world for more than 125 years. Headquartered in Vienna, Virginia, CWUSA has more than 3,400 employees and over 35 sales offices nationwide. CWUSA offers a complete portfolio of domestic and international voice, data, Internet and messaging services delivered via an all-digital, nationwide, fiber optic network. In Kentucky, CWUSA was authorized to transact business on June 5, 1978 in Case No. 90-150.

As noted above, CWUSA was originally organized as a District of Columbia corporation. Recently, C&W determined that its overarching business objectives would be better served if CWUSA were a Delaware corporation and thus a change in the Company's state of incorporation is warranted. The transaction will not affect continued provision of services and will be transparent to customers. CWUSA expects this change to take place in the next 30-60 days and will notify the Commission upon completion of this process.

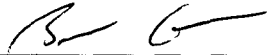
The proposed change in CWUSA's state of incorporation will serve the public interest. C&W has decided recently to restructure its corporate organization worldwide to better serve its business objectives. In connection therewith, C&W and CWUSA have determined that CWUSA will be better positioned to conduct operations in an effective and efficient manner if it is structured as a Delaware corporation. CWUSA's customers will experience absolutely no adverse effects or disruption in their services as a result of this transaction and, as described above, will share in the benefits realized from the proposed change.

Please contact the undersigned with any questions regarding this letter.

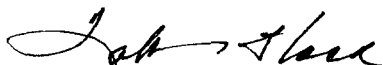
Respectfully submitted,

CABLE & WIRELESS USA, INC.
8219 Leesburg Pike
Vienna, VA 22182
703-760-3741

By:



Brent Olson, Attorney
Director, Domestic Regulatory Affairs



Larene Flack, Senior Manager,
Tariffs & Regulatory Compliance

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