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Arizona Corporation Commission

DOCKETED

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November 18, 1999

Mr. Jack Rose
Executive Secretary
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Application of Concert Communications Sales LLC for a Certificate of Convenience and Necessity to Resell Local Exchange Service in the State of Arizona
Docket No. T-03731A-99-0234

Dear Mr. Rose,

Enclosed please find an original, a duplicate and ten copies of Concert Communications Sales LLC's ("CCS") amendment to its above-referenced application. CCS submits this filing to notify the Commission of an impending change in ownership.

Please date-stamp the duplicate and return in the pre-addressed envelope provided. If there are any questions regarding this filing, please contact me at (202) 887-1238. Thank you for your assistance with this matter.

Cordially,

Winafred Brantl

Winafred Brantl

enclosures

**Before the
STATE OF ARIZONA
CORPORATION COMMISSION**

Application of)	
)	
Concert Communications Sales LLC)	Docket No. T-03731A-99-0234
)	
For a Certificate of Convenience and Necessity to Resell Local Exchange Service in the State of Arizona)	

AMENDMENT TO APPLICATION

Concert Communications Sales LLC ("CCS" or "Applicant"), by its attorneys and with the consent of British Telecommunications plc ("BT") and AT&T Corp. ("AT&T") (collectively, "the Parties"), hereby amends its Application as captioned above to reflect a change in its ownership structure. Specifically, CCS amends its application to reflect a transfer of ultimate control of CCS from BT alone to a global joint venture in which BT and AT&T each maintain a 50% controlling interest. This transfer of ultimate control will take place upon consummation of the transaction, which is expected sometime after receipt of approval from the Federal Communications Commission (just recently received). CCS asks that the Commission's order granting CCS's application reflect this transfer of ultimate control.

In support of this Amendment, CCS provides the following information.

As CCS discussed in its application for authority, BT and AT&T announced on July 26, 1998 that they would create a \$10 billion global venture (the "Global Venture") to serve the communications needs of multinational companies and the

international calling needs of individuals and businesses around the world.¹ The venture, which will operate through a jointly owned, special-purpose subsidiary, will combine the transborder assets and operations of each company, including their existing international networks, all of their international traffic and international products for business customers, and BT and AT&T's multinational accounts in selected industry sectors. Further, AT&T and BT will develop an intelligent managed Internet Protocol ("IP")-based global network to be implemented by the Global Venture. This network will support services such as global electronic commerce, global call centers and new intranet-based solutions to support global organizations and executives on the move. Through the venture, BT and AT&T aim to be leaders in the global communications services market.

CCS will become a part of the Global Venture upon consummation of the transaction. Specifically, at closing one of CCS's indirect parent companies, Concert Global Networks Limited ("CGNL (UK)"), will become a wholly-owned subsidiary of a Dutch corporation, TNV [Netherlands] BV ("TNV"), a holding company in which AT&T and BT each will maintain a 50 percent controlling interest. It is expected that there will be internal, pro forma reorganizations of the subsidiaries of TNV before the end of the year and that as a result of these reorganizations CCS will become a wholly owned subsidiary of VLT US Operating LLC, an indirect wholly-owned subsidiary of TNV, as of December 31, 1999. Diagrams showing CCS's corporate structure pre- and post-closing are provided in Exhibit 1.

¹ A copy of the agreements between the parties regarding the creation of the Global Venture will be made available to the Commission upon request.

Consummation of the transaction is subject to receipt of all requisite regulatory approvals. The parties have already obtained approval from the U.S. Department of Justice, the European Union and, most recently, the FCC. The parties expect to consummate the transaction in the near future and will notify the Commission upon closing.

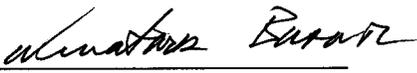
As stated above, after the transfer of control, CCS will exist as an indirect subsidiary of TNV and ultimately will be owned jointly by BT and AT&T. CCS will operate as described in its initial application, pursuant to the same name, tariff and operating authority. Thus, the transfer of control will be transparent to Arizona consumers and will have no adverse impact on CCS's current business plan to provide telecommunications services to multinational companies. To the contrary, CCS's access to the combined resources and expertise of BT and AT&T will allow it to take advantage of economies of scale and cutting edge technology, thereby enhancing its ability to provide telecommunications service in the state overall.

CCS, as an indirect subsidiary of BT and AT&T, will possess the financial, technical, and managerial qualifications to provide service as a Commission licensee. Both BT and AT&T will contribute significant revenues, profits, and assets to the Global Venture such that the venture is expected in its first full year of operation to have revenues of more than \$10 billion. The Global Venture will be led by a highly qualified team of management personnel, all of whom have extensive backgrounds in the telecommunications industry. Information regarding the Global Venture's management team is provided in Exhibit 2.

WHEREFORE, CCS respectfully requests that the Commission grant
CCS's Application reflecting this transfer of ultimate control of CCS to BT and AT&T.

Respectfully submitted,

CONCERT COMMUNICATIONS SALES LLC

By: 

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Its Attorneys

Dated: November 18, 1999

VERIFICATION OF APPLICANT

I represent AT&T Corp. ("AT&T") and am authorized to make this statement on their behalf. Under penalties of perjury, I declare that I have read the foregoing and that the facts and any matters stated therein on information and belief with respect to AT&T and the Global Venture are true, to the best of my knowledge and belief.

By: James Talbot

Name: James J. R. Talbot

Title: Senior Attorney

Date: September 21, 1999

STATE OF NEW JERSEY)
)
COUNTY OF SOMERSET)

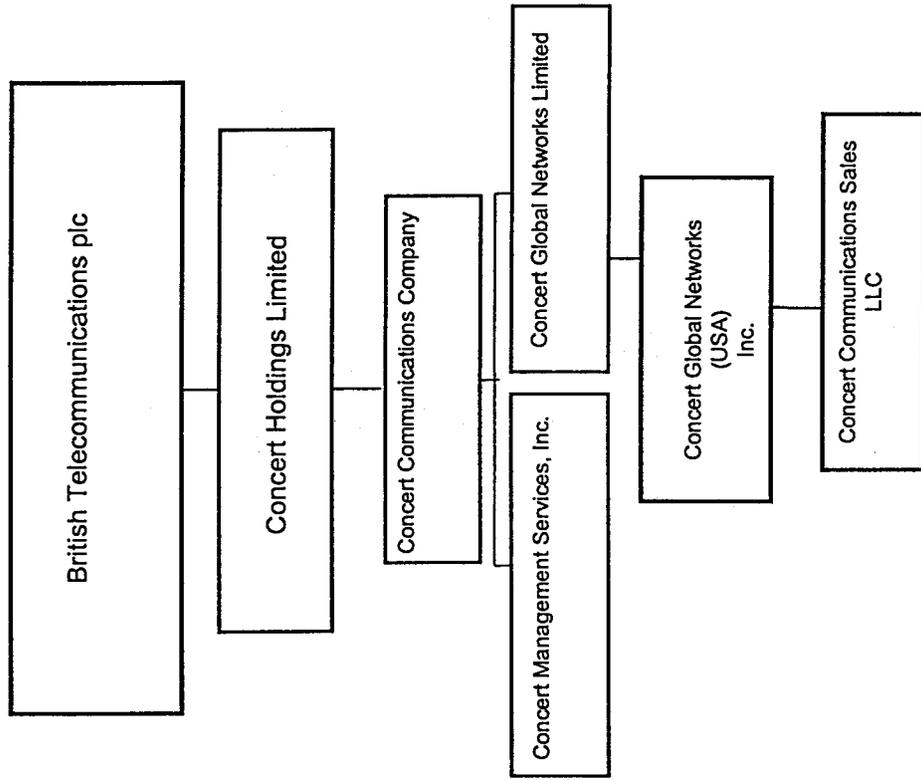
SUBSCRIBED AND SWORN to before
me this 21st day of September, 1999.


NOTARY PUBLIC in and for said County and State

Teri Lannotta
Notary Public
Expires 4/09/2002

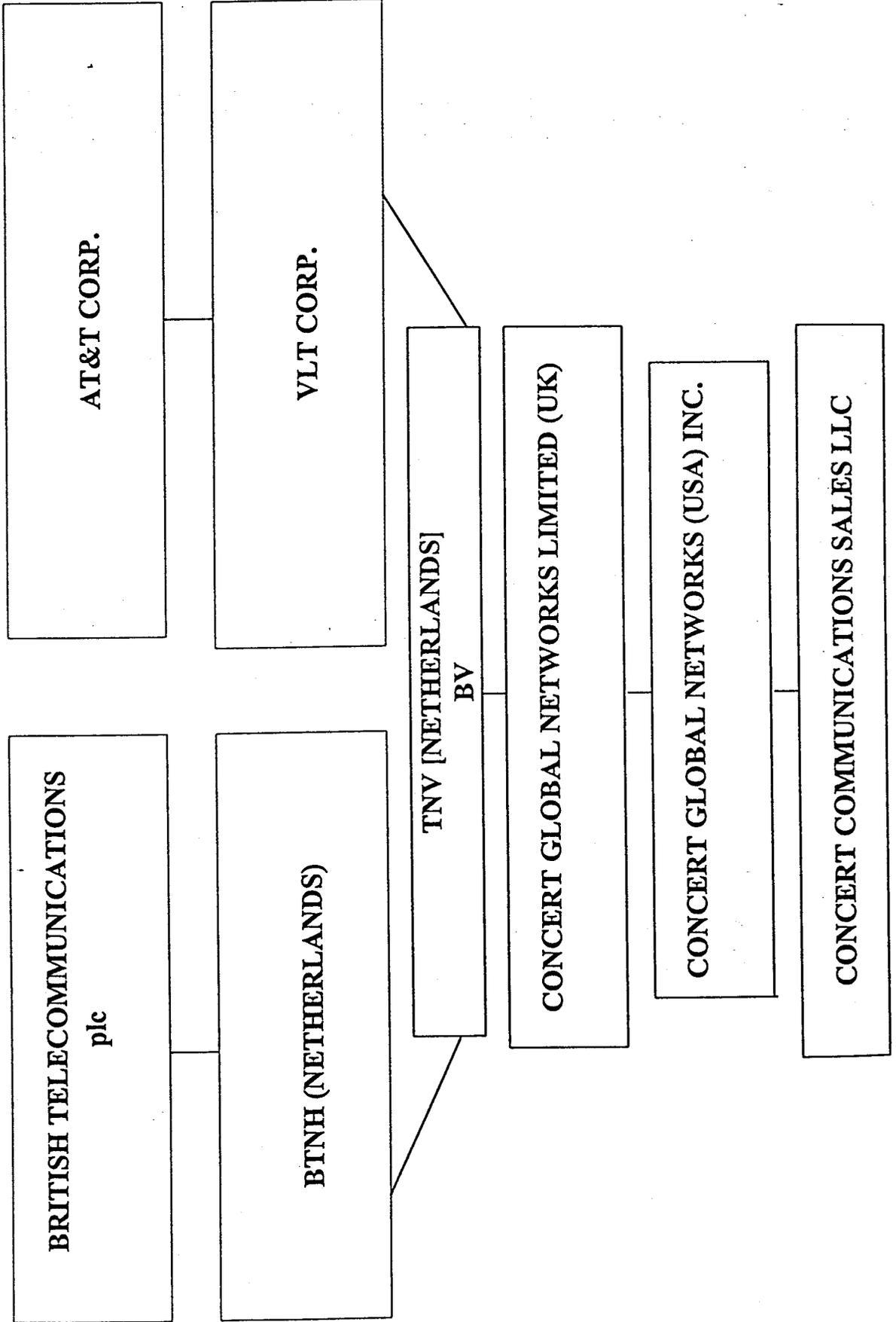
EXHIBIT 1

CORPORATE STRUCTURE CHARTS



CURRENT CCS CORPORATE STRUCTURE

CCS STRUCTURE AT CLOSING



ANTICIPATED CCS STRUCTURE AS OF
12/31/99

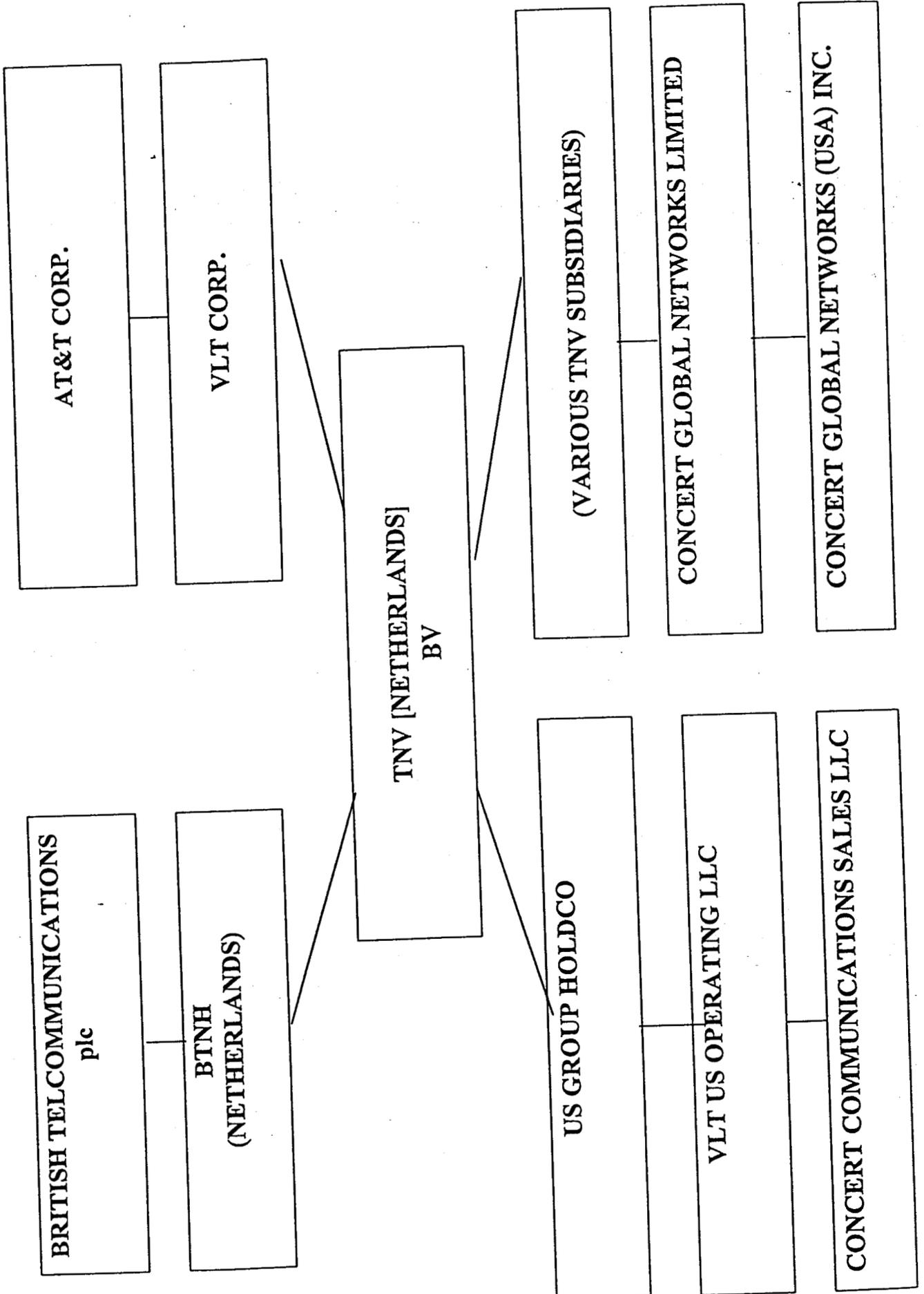


EXHIBIT 2

**GLOBAL VENTURE
MANAGEMENT TEAM**

News release

NR 9940

June 7, 1999

BT AND AT&T'S GLOBAL VENTURE NAMES TOP TEAM

BT and AT&T's \$10 billion global venture today announced the top management team which will report to the recently appointed chief executive, David Dorman.

The team will manage the company from regional headquarters across the Americas, UK, Europe, Asia and the Caribbean.

David Dorman said: "The ability to think, act and operate globally is critical to our success in meeting the needs of multinational customers and international service providers and our organisation reflects it."

The global venture's principal locations will include Australia, France, Germany, Hong Kong, Italy, the Netherlands, Singapore, the UK, the US and Japan.

The team leading the global venture's operations includes:

- Nancy Gofus, president, global products and services. Currently chief operating officer at BT's global services company Concert, she will be based in Reston, Virginia, and lead the organisation charged with developing global managed communications products and services for multinational companies and institutions around the world as well as wholesale services for the rapidly growing IP market. Nancy Gofus joined Concert from MCI where she was vice president, strategic global services. Prior to that, she held several sales, marketing, engineering and operations assignments with AT&T.
- Neil Hobbs, president, global markets. Currently director, global venture transition for BT, Neil Hobbs will lead the organisation responsible for sales, industry, marketing and customer service to the global venture's multinational customers. Before leading the BT team working with AT&T to plan for the creation of the global venture, he held a number of executive positions in sales, marketing and service at BT.
- Cathy Martine, president, international carrier services. Currently vice president, international traffic management at AT&T, Cathy

Martine will lead the team responsible for managing the international correspondent relationships, including transit and hubbing activities, for BT and AT&T. She will also be responsible for the venture's carriers' carrier business and North American operations, providing wholesale trans-border services to global telecommunications companies and Internet service providers. Cathy Martine has a broad range of management experience in consumer and business markets and in sales.

David Nagel, chief technology officer of AT&T and president of AT&T Labs, will assume additional responsibilities as chief technology officer for the global venture. In this capacity, he will lead a separate technology unit, funded by BT and AT&T, to ensure common architecture and seamless services across BT, AT&T and the global venture as well as with their alliance partners around the world.

Currently, David Nagel heads AT&T's research division and is overseeing the development of a new generation of Internet and other communications and information services.

The following global venture leadership team members will head the corporate staff organisation:

- Chris Brennan, senior vice president, human resources. Currently vice president, human resources, for BT Worldwide, she will lead the global venture's human resources organisation from Reston, Virginia. Chris Brennan joined BT as vice president of human resources for the company's global outsourcing business in 1991, and became the fourth employee to join Concert Communications two years later. She has extensive international HR experience in Europe, Asia and the Middle East.
- Walter De Socio, senior vice president and general counsel, regulatory affairs. De Socio, currently AT&T's chief regional counsel for Europe, Middle East and Africa, is responsible for all law and regulatory matters in the region, its international alliances and joint ventures. He has held a number of international and corporate legal positions with AT&T since 1991. Prior to that he practised with a large New York City law firm and specialised in corporate and mergers and acquisitions matters.
- Shelly London, senior vice president, communications. Currently employee communications and creative services vice president at AT&T, Shelly London will direct the organisation responsible for employee communications, public relations, marketing communications and advertising, from New York. London also has extensive experience in all areas of public relations, as well as sales, sales management, marketing and advertising.

David Dorman will head the global venture from Atlanta, Georgia, where Concert already has a location with approximately 250 employees.

The companies announced their intention to form a \$10 billion business last July to serve the communications needs of multinational companies and international carriers worldwide. It will combine the trans-border assets and operations of BT and AT&T, including their international networks, traffic, products for business customers – including Concert services – and multinational accounts in selected industry sectors.

The Concert Communications network, stretching across six continents and providing service to customers in more than 50 countries and more than 800 cities across six continents, will be part of BT's asset contribution to the global venture.

The planned global venture is currently awaiting remaining regulatory approvals from the US Department of Justice and the Federal Communications Commission.



News releases