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March 24, 1999

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Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W., Rm. TW-B204E
Washington, D.C. 20554

Re: **EX PARTE**

AT&T Corporation, VLT Co. L.L.C., Violet License Co. LLC and
TNV [Bahamas] Limited Seek FCC Consent for Grant of Section
214 Authority, Modification of Authorizations and Assignment of
Licenses in Connection With Proposed Joint Venture Between
AT&T Corporation and British Telecommunications plc, IB Docket
No. 98-212

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Federal Communications Commission=s
(A Commission=s) rules, 47 C.F.R. § 1.1206, this letter will notify you that representatives
of Cable & Wireless plc (C&W=s) met with representatives of the International Bureau
on March 23, 1999. Representatives of C&W in attendance were the undersigned,
George Cary, Keith E. Bernard and Peter Waters. Attending representatives of the
International Bureau included Sherille Ismail, Kathryn O=Brien, Susan O=Connell, Mark
Uretsky and Sara Whitesell.

During the meeting, C&W discussed the adverse competitive impact of the
proposed Global Venture in the markets for global service to multi-national corporations,
telecommunications service between the United States and the United Kingdom, and
transit service on thin international routes. C&W also responded to the Bureau=s
requests for information concerning volumes of bilaterally traded, outbound US-UK
switched traffic terminated by C&W for AT&T customers, and the decline in the volume
of bilaterally-traded, outbound US-UK switched traffic terminated by C&W for MCI
WorldCom customers.

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C&W also identified certain costs that C&W will incur as a result of self-correspondence between BT and AT&T on the US-UK route. Those costs may include abandonment of existing capacity with AT&T to the extent AT&T and, in some cases, landing parties do not agree to a transfer of capacity on matched circuits to third parties on economic terms. If AT&T refuses to agree to such transfers, C&W still will be responsible for operations and maintenance charges on unused cable capacity with AT&T as well as stranded investment in backhaul capacity and cable landing station equipment. C&W also will be required to incur otherwise unnecessary costs to acquire replacement capacity. Such costs will include (1) acquiring additional circuits on cables matched with circuits owned or acquired by U.S. carriers other than AT&T; (2) costs to acquire new backhaul capacity on those cables; and (3) costs to acquire new ports on its international switches or to reconfigure ports where possible. In addition, the carrier with whom C&W will match its new circuits will incur similar expenses. These costs will include acquiring new capacity, installing new ports and reconfiguring and testing the capacity once activated. In addition, the new US carrier may need to acquire and install new backhaul. C&W also would incur costs reconfiguring its circuits at the UK end.

C&W also confirmed, in response to a request from the Bureau, that C&W's arrangement with AT&T concerning matched circuits on the US-UK route does not require the parties to transmit a minimum number of bilaterally-traded minutes of switched traffic.

Pursuant to Section 1.1206(b) of the Commission's rules, 47 C.F.R. §1.1206(b), an original and one copy of this letter are being submitted to the Office of the Secretary for inclusion in the public record.

Please direct any questions or concerns to the undersigned.

Sincerely,

/s/ Charles H. Kennedy
Charles H. Kennedy
Counsel for Cable & Wireless plc

cc: Sherille Ismail
Kathryn O'Brien
Susan O'Connell
Mark Uretsky
Sarah Whitesell