



November 29, 2004

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PUBLIC SERVICE
COMMISSION

Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

RE: Transfer of Control of Infonet Telecommunications Corporation

Dear Ms. O'Donnell:

By this letter, BT Group plc ("BT Group") and Infonet Telecommunications Corporation ("ITC," and, together with BT Group, the "Parties") hereby notify the Kentucky Public Service Commission (the "Commission") of the transfer of control of ITC from Infonet Services Corporation ("Infonet") to BT Group (the "Transaction").

The Parties

BT Group. BT Group is a widely-held public corporation and holding company for an integrated group of businesses that provide information and communications technology ("ICT") services to large, multinational corporate customers throughout the world. All of the businesses and assets of BT Group are held by a subsidiary of BT Group, British Telecommunications plc ("BT"), and BT's various subsidiaries.¹

BT and its subsidiaries provide ICT solutions to customers in over 150 countries. The ICT services offered by BT and its subsidiaries include voice and Internet Protocol Virtual Private Networks ("IP VPNs"), consulting and systems integration, outsourcing, storage and security, applications management and hosting, multimedia contact and call centers offering features such as intelligent call routing, workforce management, and campaign and planning management, LAN/WAN services, infrastructure and utility applications, broadcast, satellite, telehousing, desktop and network equipment and software; and business transformation and change management services.

¹ A copy of BT Group's most recent Annual Report and Form 20-F can be found at <http://www.btplc.com/report/Report04/pdf/AnnualReport04.pdf>.

In Kentucky, BT Communications Sales LLC is the subsidiary through which BT is authorized to provide intrastate services. BT Communications Sales LLC is a corporation organized under the laws of the State of Delaware, with its principal business office located at 11440 Commerce Park Drive, Reston, Virginia 20191.² BT Communications Sales LLC holds authority to provide local and interexchange services in Kentucky.³ Thus, the financial, managerial, and technical qualifications of BT Group to control a regulated provider of intrastate services in Kentucky are a matter of record before this Commission.

ITC. ITC is a corporation organized under the laws of the State of Delaware, with its principal business office located at 2160 E. Grand Avenue, El Segundo, California 90245.⁴ ITC is authorized to provide interexchange services on a pure resale basis in 37 states, including Kentucky.⁵

ITC is a subsidiary of Infonet, a leading provider of value added network data services for nearly 3,000 multinational organizations. Infonet's operating affiliates provide customers with integrated communications solutions that optimize the complex relationship between enterprise applications and the global network.⁶

Infonet's offerings include value added network data services, Internet and intranet access, multimedia services, equipment leasing and maintenance, software applications and consulting services. Infonet's services are accessible from more than 180 countries and Infonet provides local service support to customers in over 70 countries and territories.

The Transaction

On November 8, 2004, BT, on behalf of BT Group, and Infonet, the corporate parent of ITC, entered into an agreement and plan of merger pursuant to which BT has agreed to acquire all of the outstanding shares of capital stock of Infonet

² Copies of BT Communications Sales LLC's Articles of Incorporation and certificate of authority to transact business in Kentucky were provided to the Commission in connection with BT Communications Sales LLC's application for certification as a telecommunications carrier; thus, they are a matter of public record.

³ Tariff filed September 24, 1999; IXC registration completed June 4, 1999.

⁴ Copies of ITC's Articles of Incorporation and certificate of authority to transact business in Kentucky were provided to the Commission in connection with ITC's application for certification as a telecommunications carrier; thus, they are a matter of public record.

⁵ Filing T-63-0255, Certificate of Authority, effective March 29, 2002.

⁶ A copy of Infonet's most recent Annual Report and Form 10-K can be found at http://investor.infonet.com/images/INFONETSERVICES10K_2004.pdf.

in exchange for \$2.06 cash per share. To effectuate the Transaction, a newly created, wholly owned subsidiary of BT Group ("Blue Acquisition Corp.") will be merged with Infonet, after which the separate corporate existence of Blue Acquisition Corp. shall cease and Infonet will emerge as the surviving corporation. As a result of the Transaction, ITC will continue to be wholly owned by Infonet, but Infonet will become an indirect wholly owned subsidiary of BT Group. The proposed Transaction thus will effect an indirect transfer of control of ITC to BT Group.

Public Interest Benefits

The post-Transaction entity will better serve its multinational customers globally. The Transaction will generate efficiencies that will be of benefit to customers generally by reason of the highly competitive nature of the market. Furthermore, Infonet, which currently has multiple owners, will benefit from ownership by BT, one single shareholder, fully committed to being a leading competitor in the global communications services market. Therefore, the proposed transfer of control will serve the public interest, convenience, and necessity.

* * *

Upon review of Kentucky's statutes and the Commission's rules, it is the Parties' understanding that prior Commission approval is not required to consummate the Transaction described herein. If the Parties' understanding regarding the regulatory requirements in Kentucky is incorrect, the Parties respectfully request that the Commission notify them as promptly as possible. Absent written notification to the contrary within 30 days, the Parties will proceed on the basis of their understanding to complete the Transaction as contemplated.

Please direct any questions concerning this submission to the undersigned.

Respectfully submitted,

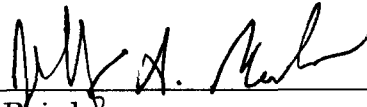
BT GROUP PLC

**INFONET TELECOMMUNICATIONS
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