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December 20, 1996

961510-TP

Ms. Blanca S. Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: MCI Petition for Approval of Transfer
of Majority Organizational Control

Dear Ms. Bayó:

Enclosed for filing on behalf of MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. are the original and fifteen copies of their petition for approval of transfer of majority organizational control. A diskette containing a copy of the petition in WordPerfect 5.1 format is also enclosed.

The indirect change in control of these certificated companies will result from the merger of their ultimate parent company, MCI Communications Corporation, with British Telecommunications plc, to form a combined company to be known as Concert plc.

If you have any questions regarding the filing, please contact the undersigned.

Very truly yours,

Richard D. Melson

Richard D. Melson

Enclosures

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
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In re: Petition for Approval of)
Transfer of Majority Organizational)
Control of MCI Telecommunications)
Corporation and MCI Metro Access)
Transmission Services, Inc.)
_____)

Docket No. _____

Filed: December 20, 1996

**PETITION FOR APPROVAL OF TRANSFER
OF MAJORITY ORGANIZATIONAL CONTROL**

MCI Telecommunications Corporation (MCIT) and MCI Metro Access Transmission Services, Inc. (MCImetro), pursuant to Section 364.33, Florida Statutes, hereby petition the Commission to approve the indirect transfer of majority organizational control of their respective certificates that will result from the merger of their parent company, MCI Communications Corporation (MCIC) with British Telecommunications plc (BT).

PETITIONERS

1. Petitioners' full names and their official business address for their Florida operations are:

MCI Telecommunications Corporation
MCI Metro Access Transmission Services, Inc.
Suite 700, 780 Johnson Ferry Road
Atlanta, GA 30342

2. The names and addresses of Petitioners' representatives in this proceeding are:

Richard D. Melson
Hopping Green Sams & Smith, P.A.
P.O. Box 6526
Tallahassee, Florida 32314

Martha McMillin
MCI Telecommunications Corp.
Suite 700, 780 Johnson Ferry Rd.
Atlanta, GA 30342

3. MCIT holds certificates from the Commission as an interexchange carrier (IXC), alternative local exchange telecommunications company (ALEC), alternative access vendor

(AAV) and pay telephone service provider (PATS). MCImetro holds certificates from the Commission as an ALEC and AAV.

4. MCIT is a wholly-owned subsidiary of MCI Communications Corporation (MCIC), a publicly held company. MCImetro is an indirect, wholly-owned subsidiary of MCIT. Thus MCIC is the ultimate parent company of both MCIT and MCImetro.

OVERVIEW OF TRANSACTION

5. MCIC and BT have entered into an Agreement and Plan of Merger (Merger Agreement) dated as of November 3, 1996. The parties expect that the merger transaction (Merger) will close by October 31, 1997, following approval of the transaction by stockholders of MCIC and BT, and by applicable U.S. and British regulatory authorities. The combined publicly held company resulting from the Merger will be named Concert plc (Concert).

6. BT is a public limited company incorporated under the laws of England and Wales. BT is a telecommunications company that provides a full range of telecommunications services in the United Kingdom and around the world.

7. Following consummation of the Merger, MCIC and BT will each be a wholly-owned subsidiary of Concert. MCIT and MCImetro will continue as subsidiaries of MCIC, and will continue to provide service to Florida consumers under their respective certificates. As set forth in more detail below, the Merger will serve the public interest by significantly promoting local telephone competition consistent with the 1995 revisions to Chapter 364, Florida Statutes, and with the Telecommunications Act of 1996. The combined resources of the merged companies will

make MCI a stronger contender in this emerging competitive business, leading directly to more consumer choice, more innovative local services, and lower prices.

APPLICABLE STATUTE

8. Section 364.33, Florida Statutes, requires prior approval of the Commission for the "acquisition, transfer, or assignment of majority organizational control or controlling stock ownership" of a telecommunications company operating a telecommunications facility in Florida. Because the ownership of MCIT and MCImetro's ultimate parent company will change as a result of the Merger, this transaction requires approval by the Florida Public Service Commission as an indirect change of majority organizational control. MCIT and MCImetro are not aware of any disputed issues of fact.

MECHANICS OF THE PROPOSED MERGER

9. Under the terms of the Merger Agreement, upon closing, MCIC will be merged into a US subsidiary of BT, now known as Tadworth Corporation (Tadworth), formed specifically to effect the merger. The separate corporate existence of MCIC will then cease. Tadworth will be renamed MCI Communications Corporation. Concurrently, BT will be renamed Concert and the BT UK operations will be placed into a subsidiary of Concert. A graphic illustration of the merger plan is contained in Exhibit A.

10. Each stockholder of MCIC immediately before the Merger will receive .54 of a Concert American Depository Share (ADS) -- equal to .54 of a BT ADS -- plus \$6.00 in cash. As a result of the exchange of shares, at current ownership levels, the Merger,

if it were to occur today, would result in US citizens holding at least 35 percent of the new Concert shares immediately after the merger.

POST-MERGER ORGANIZATION

11. Following the Merger, Concert will be a publicly traded holding company, which will own 100% of MCIC and 100% of BT. Those two subsidiaries will continue to do business in the US and the UK respectively under their current brand names.

12. MCIC's executives will play a key role in the merged company. The Board of Directors of Concert will comprise fifteen members, eight selected by BT and seven selected by MCIC. Bert C. Roberts, the current chairman and chief executive officer of MCIC, will be Co-Chairman of Concert with Sir Iain Vallance, the current chairman of BT. The Office of Chief Executive Officer of Concert will consist of Sir Peter Bonfield, currently the chief executive of BT, and Gerald H. Taylor, currently president and chief operating officer of MCIC.

13. MCIC will operate as an operationally independent subsidiary of Concert. Mr. Timothy F. Price, current president and chief operating officer of MCIT, will serve as president and chief operating officer of MCIC, with continued responsibility for telecommunications operations in the US. The Boards of Directors of MCIT and MCImetro, the holders of Florida certificates, will be comprised entirely of US citizens.

PUBLIC INTEREST CONSIDERATIONS

14. The merger of MCIC and BT will create a single global company -- Concert -- well positioned to offer customers the most

technologically advanced and competitive services in the rapidly evolving telecommunications industry. The combined entity will have the financial resources to enable it to invest heavily in its networks and to provide services to residential and business customers in new, capital intensive markets, including the US local telephone business. The merger will combine the complementary management skills, background and experience of MCI and BT in wireline, wireless and multimedia technologies, allowing the combined entity to capitalize and build on the diverse expertise of each company.

15. The combination of financial resources and management and technological expertise that will comprise Concert will make MCI better able to invest the funds required to enter local markets, to deploy new technologies rapidly, and to produce the advanced local services that residential and business consumers demand. As a consequence of the merger, Florida consumers are likely to benefit from a wider combination of innovative local telecommunications service options at lower prices.

16. MCI has already built and activated its own fiber optic local digital local networks -- covering more than 2,700 route miles nationwide -- for residential and business customers in thirty-four cities, including Orlando and Miami. By the end of 1996, it will have invested nearly \$1 billion in developing and building local switched networks. By the beginning of 1997, MCI expects to have deployed class 5 switches providing local service to 25 markets in 20 states, including Florida. Given a favorable regulatory climate and assuming MCI can obtain pro-competitive

interconnection agreements required by the 1996 Act, MCI plans to invest approximately \$700 million in 1997 in local network construction. In 1998 and beyond, the merger will provide the combined company with the financial stability necessary to expand this critical investment.

17. The merger of MCI and BT will also produce substantial cost savings through economies of scale. Based on a joint preliminary study, the two companies expect that there will be a pre-tax synergy benefit arising from a full integration of the businesses amounting to approximately \$2.5 billion over five years following closing of the merger. These savings are expected to arise primarily through economies of purchasing and procurement and through the combination of the companies' operations (primarily their international operations), with no significant decrease in US employment. Indeed, because of MCI's entry into local telephone markets, employment of American workers is expected to increase.

18. The day-to-day operations of MCIT and MCImetro will not be affected by the Merger. Each of these companies will continue to do business under its current certificates, pursuant to its current tariffs or price lists. Current senior management of MCI will remain in senior management positions with Concert and MCI. As is now the case, MCIT's and MCImetro's ultimate parent will continue to be publicly held after the Merger. In short, insofar as the Commission and Florida consumers are concerned, the Merger will not affect any change in the certificated companies.

REQUEST FOR RELIEF

19. MCIT and MCImetro request that the Commission approve the indirect change in majority organizational control that will result from the Merger of MCIC and BT, with the change to be effective upon consummation of the Merger.

RESPECTFULLY SUBMITTED this 20th day of December, 1996.

HOPPING GREEN SAMS & SMITH, P.A.

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and

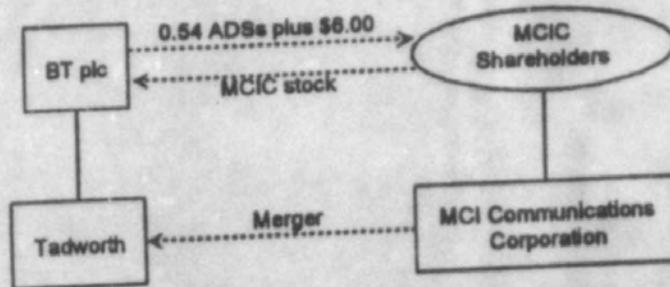
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ATTORNEYS FOR MCI
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MCI METRO ACCESS TRANSMISSION
SERVICES, INC.

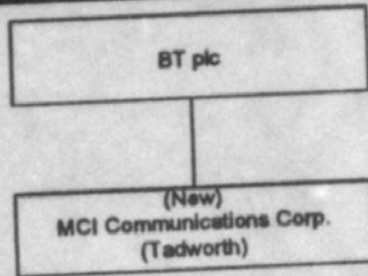
EXHIBIT A

Merger Plan

Step 1: Merger of MCIC Into Tadworth



Step 2: Name Change of Tadworth



Step 3: Name Change of BT plc and Creation of Subsidiary for BT UK Operations

