

Categories of Services for 214 Applications
(Streamline/Non-streamline)

- LIMITED/GLOBAL RESALE SERVICE
- LIMITED/GLOBAL FACILITIES-BASED SERVICE
- LIMITED/GLOBAL FACILITIES-BASED/RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- INTERNATIONAL SPECIAL PROJECT
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- ASSIGNMENT OF LICENSE
- PRO FORMA TRANSFER/ASSIGNMENT
- SPECIAL TEMPORARY AUTHORITY
- SUBMARINE CABLE LANDING LICENSE

Description of Application: _____

OK for Friday public notice (7/24/06)

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A LIMITED LIABILITY PARTNERSHIP

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JUL 14 2000

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**Telecom Division
International Bureau**

Federal Communications Commission
International Bureau - Telecommunications
P.O. Box 358115
Pittsburgh, PA 15251-5115

Re: In the Matter of Cable & Wireless HKT Pacific Ltd.
Application for Authority to Transfer Control of a Common
Carrier Holding an International Section 214 Authorization

Dear Sir or Madam:

On behalf of Cable & Wireless HKT Pacific Ltd., enclosed for filing are the original and five copies of the above-referenced Application. Also enclosed for this filing are the FCC Form 159 Remittance Advice, a check in the amount of \$780.00 to cover the filing fee, and a duplicate copy of the filing. Please date-stamp the duplicate and return to the courier.

If there are any questions regarding this filing, please contact me at
(202) 955-9786. Thank you for your assistance with this matter.

Sincerely,



Joan M. Griffin

Enclosures

KELLEY DRYE & WARREN LLP
1200 19TH STREET, N.W.
WASHINGTON, DC 20036

006239

15-122/540
BRANCH 00480

DATE July 14, 2000

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MP

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW. IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESCRIBED
KELLEY DRYE & WARREN LLP

DATE	DESCRIPTION	AMOUNT
7/14/00	Charge 031829.0001 For filing fee for Section 214 Application	\$780.00

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
CABLE & WIRELESS HKT)	Docket No. _____
PACIFIC LTD.)	
)	
Application for Authority to Transfer)	
Control of a Common Carrier Holding)	
an International Section 214 Authorization)	

APPLICATION

I. Introduction

Cable & Wireless HKT Pacific Limited ("CWHKTP" or "Applicant"), by its attorneys and pursuant to Section 214 of the Communications Act of 1934, as amended ("the Act"), 47 U.S.C. § 214, and Section 63.18(c)(3) of the Commission's Rules, 47 C.F.R. § 63.18(c)(3), hereby requests authority to transfer control of CWHKTP as described herein. As discussed in Section III below, this Application presents no issues regarding foreign affiliation and thus streamlined processing is appropriate.

II. Description of Transaction

CWHKTP is a corporation organized and existing under the laws of Hong Kong and a carrier in Canada. CWHKTP holds several Section 214 authorizations to provide resale and facilities-based services. Collectively, these authorizations give CWHKTP the ability to serve all but a limited number of countries. Attachment 1 provides a list of these authorizations as well as a list of the countries that CWHKTP is *not* authorized to serve.

Three of CWHKTP's affiliates in Hong Kong – Cable & Wireless HKT Telephone Limited (“CWHKTC”), Cable & Wireless HKT International Limited (“CWHKTI”), and Cable & Wireless HKT CAS Limited (“CWHKTCAS”) – are the primary providers of local and international telecommunications services in Hong Kong and thus are foreign carriers under the Commission’s Rules. Cable & Wireless plc (“C&W plc” or “Transferor”), a corporation organized under the laws of England and Wales, holds indirectly approximately 54 percent of the interest in CWHKTP through its ownership interest in Cable & Wireless HKT Limited (“CWHKT”), which is the parent company of CWHKTP, CWHKTC, CWHKTCAS, and CWHKTI. C&W plc is a holding company for a number of telecommunications operations worldwide. The only other 10 percent or greater shareholder in CWHKTP is China Mobile (Hong Kong) Limited (formerly known as China Telecom (Hong Kong) Limited), a company listed on the Stock Exchange of Hong Kong Limited that primarily operates mobile telephony businesses in the People’s Republic of China, and which holds indirectly approximately 11 percent of the outstanding shares of CWHKT. The remaining shares (approximately 35 percent) are widely held by the public.

Pacific Century CyberWorks Limited (“PCCW” or “Transferee”) is a corporation organized and existing under the laws of Hong Kong, is listed on the Stock Exchange of Hong Kong Limited and is a leading Internet company in Asia. PCCW is involved primarily in technology businesses related to the Internet and the delivery of broadband ISP-enabling services and technologies to local access operators through an innovative system for satellite-to-broadband ground distribution.¹ As of the date of this filing, assuming exercise of all options

¹ On April 12, 2000, PCCW announced that it had entered into a Memorandum of

over PCCW shares and conversion of all outstanding bonds convertible into PCCW shares, 52.2 percent of PCCW is owned by Pacific Century Regional Developments ("PCRD"), a company incorporated in Singapore that is listed on the Singapore Exchange Securities Trading Limited. PCRD holds Internet and insurance interests and is also active in property investment and development and power generation. Richard Li, a citizen of Hong Kong, controls 75.8 percent of PCRD through intermediate holding companies. In addition, Pacific Century Group Holdings Limited ("PCG") and Pacific Century Diversified Limited ("PCD") own approximately 2.7 percent and 5.4 percent respectively of the PCCW shares directly. PCG and PCD are companies wholly owned by Mr. Li. At this time, PCCW holds no Section 214 authority.

Earlier this year, C&W plc determined that maintaining its ownership interest in CWHKT was no longer consistent with its global business plans. Accordingly, C&W plc entered into discussions with PCCW which led to an offer, in the form of a "Scheme of Arrangement" ("Scheme") under Hong Kong law, by PCCW to acquire the entire issued share capital of CWHKT. The Scheme was approved by the CWHKT shareholders on July 3, 2000.

The sale of C&W plc's interest in CWHKT will be accomplished in the following manner. Pursuant to the terms of the Scheme, all CWHKT shares in issue will be cancelled, and each eligible shareholder will be entitled to receive, at his option, either (1) the "Share Alternative" (1.10 New PCCW shares for each CWHKT share); or (2) the "Combination

Understanding ("MOU") with Telstra that concerns, *inter alia*, the formation of a global carrier to provide data, voice, and Internet services. It is expected at this time that the assets of CWHKTP, including CWHKTP's Section 214 authorizations, will be contributed to the new global carrier. CWHKT is not a party to the MOU; however, CWHKTP expects that PCCW and Telstra will request whatever FCC approvals are necessary and appropriate in light of the terms of the transaction at such point as those terms are finalized.

Alternative” (US\$0.9290 cash plus 0.7116 New PCCW shares for each CWHKT share); or (3) the “Mix and Match,” under which each eligible shareholder may elect to receive the Share Alternative in respect of any part of his holding of CWHKT shares and the Combination Alternative in respect of the balance of his holding of CWHKT shares. In addition, eligible shareholders who elect to receive the Combination Alternative or the Mix and Match may also choose the “Increased Cash Election,” under which the amount of cash received pursuant to the Combination Alternative is increased and the number of New PCCW Shares is decreased at the rate of US\$2.392 per New PCCW Share. The maximum aggregate amount of cash to be paid out under the Combination Alternative and Increased Cash Election is US\$11.32 billion; thus, the amount of cash receivable by any individual shareholder under the Increased Cash Election will depend upon the elections of other shareholders and will be allocated on a pro rata basis. The current timetable anticipates that CWHKT shareholders must make their elections between now and 8 August 2000 and that the share exchange will close shortly thereafter. As a result of the Scheme, CWHKTP will become an indirect wholly owned subsidiary of PCCW.

Given that eligible CWHKT shareholders have not yet made their elections, it is not possible today to state precisely the ownership interests in PCCW (and thus in CWHKTP as a wholly-owned PCCW subsidiary) following consummation of the transaction. However, C&W plc, CWHKT’s largest shareholder, has irrevocably elected the Combination Alternative and Increased Cash Election. If it is assumed that all CWHKT shareholders elect the Combination Alternative, then the only 10 percent or greater shareholders of PCCW – and in turn, CWHKTP – would be C&W plc (19.6 percent) and PCRD (32.1 percent).² In fact, under any possible

² In addition, PCG and PCD will hold approximately 1.6 percent and 3.3 percent of the

scenario as a result of the shareholders' elections, it is not possible for any shareholders other than C&W plc and PCRD to hold 10 percent or more of the shares in PCCW. In particular, it is not possible under any scenario for China Mobile (Hong Kong) Limited to own 10 percent or more of the shares in PCCW. Given the same assumption that all shareholders elect the Combination Alternative, it is likely that China Mobile (Hong Kong) Limited will hold approximately 4.2 percent of the shares in PCCW.

III. Regulatory Treatment and Application Processing

CWHKTP is currently regulated as a dominant carrier on a number of routes as a result of its affiliation with CWHKTC, CWHKTI, CWHKTCAS, and other subsidiaries of C&W plc that are foreign carriers under the Commission's Rules. Attachment 2 provides a list of the countries in which CWHKTP is affiliated with a foreign carrier as well as a list of those countries in which CWHKTP is regulated as dominant as a result of its affiliations. On all routes on which CWHKTP is currently regulated as dominant, CWHKTP will accept dominant carrier treatment following consummation of the transaction. However, CWHKTP reserves the right to petition the Commission, in accordance with the applicable rules, for a change in regulatory treatment at a later date.

PCCW is not a foreign carrier, nor is PCCW affiliated with any foreign carrier on any route that CWHKTP is authorized to serve. In light of this fact and the fact that CWHKTP will accept dominant carrier treatment post-close on all routes on which it is currently regulated as dominant, streamlined processing is appropriate for this Application under Section 63.12(c) of the

PCCW shares, making the collective ownership of the Pacific Century companies approximately 37 percent.

Commission's Rules.

IV. Section 63.18 information

Pursuant to Section 63.18 of the Commission's Rules, CWHKTP sets forth the following information in support of this Application.

(a) The name, address, and telephone number of the Transferor is:

Cable and Wireless plc
124 Theobalds Road
London WC1X 8RX
England
Tel: 011-44-207-315-4000

The name, address, and telephone number of the Transferee is:

Pacific Century CyberWorks Limited
38th Floor, Citibank Tower
Citibank Plaza
3 Garden Road
Central Hong Kong
Tel: 011-852-2514-8888

(b) C&W plc is a corporation organized under the laws of England and Wales. PCCW is a corporation organized under the laws of Hong Kong.

(c) Correspondence concerning this Application should be sent to:

Keith Harrison
Executive Director, International
Cable & Wireless HKT Ltd.
P. O. Box 9896 GPO
Hong Kong
Tel: 011-852-2883-0580

Robert J. Aamoth
Joan M. Griffin
Kelley Drye & Warren, LLP
1200 19th Street, NW
Washington, DC 20036
Tel: 202-955-9600

Helen Chu
Company Secretary
Pacific Century CyberWorks Limited
38th Floor, Citibank Tower
Citibank Plaza
3 Garden Road
Central Hong Kong
Tel: 011-852-2514-8888

Ken Claydon
Company Secretary
Cable and Wireless plc
124 Theobalds Road
London WC1X 8RX
England
Tel: 011-44-207-315-4000

- (d) Neither C&W plc nor PCCW have previously received Section 214 authority from the Commission. A list of CWHKTP's Section 214 authorizations is provided in Attachment 1.
- (e) CWHKTP is applying for transfer of control authority pursuant to Section 63.18(e)(3) of the Commission's Rules.
- (f) No response required.
- (g) No response required.
- (h) As of the date of this filing, assuming exercise of all options over PCCW shares and conversion of all outstanding bonds convertible into PCCW shares, approximately 52.2 percent of PCCW is owned by Pacific Century Regional Developments ("PCRD"), a company incorporated in Singapore that is listed on the Singapore Exchange Securities Trading Limited. PCRD holds Internet and insurance interests and is also active in property investment and development and power generation. Richard Li, a citizen of Hong Kong, controls 75.8 percent of PCRD through intermediate holding companies. In addition, Pacific Century Group Holdings Limited ("PCG") and Pacific Century Diversified Limited ("PCD") own approximately 2.7 percent and 5.4 percent respectively of the PCCW shares directly. PCG and PCD are companies wholly owned by Mr. Li. The address of PCRD is #38-02,6 Battery Road, Singapore, 049909, and the address of PCG, PCD, and Mr. Li is c/o Pacific Century CyberWorks Limited, 38th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central Hong Kong. Save as disclosed, there are no other individuals or entities that hold 10 percent or more of the equity of PCCW.

Given that eligible CWHKT shareholders have not yet made their elections, it is not possible today to state precisely the ownership interests in PCCW (and thus in CWHTKP as a wholly-owned PCCW subsidiary) following consummation of the transaction.

However, C&W plc, CWHKT's largest shareholder, has irrevocably elected the Combination Alternative and Increased Cash Election. If it is assumed that all CWHKT shareholders elect the Combination Alternative, then the only 10 percent or greater shareholders of PCCW – and in turn, CWHKTP – would be C&W plc (19.6 percent) and PCRD (32.1 percent).³ In fact, under any possible scenario as a result of the shareholders' elections, it is not possible for any shareholders other than C&W plc and PCRD to hold 10 percent or more of the shares in PCCW. C&W plc is a holding company for a number of telecommunications operations worldwide. C&W plc is a corporation organized under the laws of England and Wales whose address is 124 Theobalds Road, London WC1X 8RX, England.

Mr. Keith Harrison will be a director of both CWHKTP and CWHKTI post-close. Mr. Norman Yuen will be a director of CWHKTP, CWHKTI, CWHKTC and CWHKTCAS post-close.

(i) As evidenced by the Certification provided in Attachment 3, PCCW is not a foreign carrier, nor is PCCW affiliated with any foreign carrier.

(j) PCCW seeks no authority to provide service in this Application. However, as evidenced by the certification provided in Attachment 3, PCCW is not a foreign carrier, nor is PCCW affiliated with any foreign carrier.

(k) Not applicable.

(l) On routes on which CWHKTP is currently regulated as a dominant carrier, CWHKTP will continue to be regulated as a dominant carrier post-closing and thus will file quarterly traffic reports as required by Section 43.61 of the Commission's Rules. On all other routes, CWHKTP is currently regulated as a non-dominant carrier and should continue to be regulated as a non-dominant carrier post-closing, since PCCW is not a foreign carrier in any market, nor is PCCW affiliated with any foreign carrier on any route.

(m) On routes on which CWHKTP is currently regulated as a dominant carrier, CWHKTP consents to dominant carrier treatment post-closing. On all other routes, CWHKTP is currently regulated as a non-dominant carrier and should continue to be regulated as a non-dominant carrier post-closing, since PCCW is not a foreign carrier in any market, nor is PCCW affiliated with any foreign carrier on any route.

(n) As evidenced by the Certification provided in Attachment 3, PCCW has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the

³ In addition, PCG and PCD will hold approximately 1.6 percent and 3.3 percent of the PCCW shares, making the collective ownership of the Pacific Century companies approximately 37 percent.

foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.

(o) As evidenced by the Certification provided in Attachment 3, no party to this Application is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(p) CWHKTP requests streamlined processing pursuant to Section 63.12(c)(1) of the Commission's Rules. This Application is eligible for streamlined processing because (1) PCCW is not a foreign carrier; (2) PCCW is not affiliated with any foreign carrier on any route that CWHKTP is authorized to serve; and (3) CWHKTP will accept dominant carrier treatment post-close on all routes on which it is currently regulated as dominant.

V. Conclusion

For these reasons, CWHKTP requests that the Commission process and grant this Application as quickly as possible.

Respectfully Submitted,

CABLE & WIRELESS HKT
PACIFIC LTD.

By: _____



Robert J. Aamoth⁴

Joan M. Griffin

KELLEY DRYE & WARREN LLP

1200 19th Street, N.W.

Suite 500

Washington, D.C. 20036

(202) 955-9600

Its Attorneys

Date: _____



⁴ Pursuant to Section 1.743(b) of the Commission's Rules, this Application is signed by CWHKTP's counsel on its behalf as all CWHKTP representatives that are authorized to sign the Application are absent from the U.S.

CWHKTP Existing Section 214 Authorizations

<u>File No.</u>	<u>Authority Granted</u>
I-T-C-98-196	Resell private lines for the provision of non-telephonic services between the U.S. and Hong Kong.
I-T-C-214-19980930-00689	International simple resale authority on the U.S.-Hong Kong route.
I-T-C-214-19981218-00880	Resell switched services and non-interconnected private line services for the provision of service between the U.S. and Hong Kong.
I-T-C-214-19990601-00305	Resale services between the U.S. and Russia.
I-T-C-214-19990601-00306	Resale services between the U.S. and China.
I-T-C-214-19990601-00307	Resale services between the U.S. and Jamaica and between the U.S. and St. Kitts & Nevis.
I-T-C-214-19990601-00308	Global resale authority to serve all countries except Anguilla, Ascension Island, Bermuda, British Virgin Islands, Cayman Islands, China, Diego Garcia, Falkland Islands, Hong Kong, Jamaica, Montserrat, Russia, Seychelles, St. Helena, St. Kitts & Nevis, Tonga, Turks & Caicos, Vanuatu, and Yemen.
I-T-C-214-19991122-00725	Facilities-based services between the U.S. and China.
I-T-C-214-19991122-00726	Facilities-based services between the U.S. and Russia, Jamaica, and St. Kitts & Nevis.
I-T-C-214-19991122-00727	Facilities-based services between the U.S. and Hong Kong.
I-T-C-214-19991122-00728	Global facilities-based authority to serve all countries except Anguilla, Ascension Island, Bermuda, British Virgin Islands, Cayman Islands, China, Diego Garcia, Falkland Islands, Hong Kong, Jamaica, Montserrat, Russia, Seychelles, St. Helena, St. Kitts & Nevis, Tonga, Turks & Caicos, Vanuatu, and Yemen.

Attachment 1 (page 2)

Countries in Which CWHKTP Is Not Authorized to Provide Service

Anguilla
Ascension Island
Bermuda
British Virgin Islands
Cayman Islands
Diego Garcia
Falkland Islands
Montserrat
Seychelles
St. Helena
Tonga
Turks & Caicos
Vanuatu
Yemen

**COUNTRIES IN WHICH CABLE & WIRELESS plc POSSESSES
25 PERCENT OR GREATER COMMON DIRECT OR INDIRECT
OWNERSHIP IN A CARRIER**

Anguilla	Pakistan
Antigua	Panama
Ascension Island	Philippines
Australia	Russia
Barbados	Seychelles
Bermuda	Solomon Islands
British Virgin Islands	St. Helena
Bulgaria	St. Kitts & Nevis
Canada	St. Lucia
Cayman Islands	St. Vincent
China	Thailand
Diego Garcia	Tonga
Dominica	Trinidad & Tobago
Falkland Islands	Turks & Caicos
Fiji	United Kingdom
Grenada	Vanuatu
Hong Kong	Yemen
Indonesia	
Jamaica	
Japan	
Macao	
Maldives	
Montserrat	

CWHKTP Regulatory Treatment
(Countries Where Dominant for One or More Services)

<u>Country</u>	<u>Resale Services</u>	<u>Facilities-based Services</u>
Antigua	Dominant	Dominant
Barbados	Dominant	Dominant
China	Note 1	Dominant
Dominica	Dominant	Dominant
Fiji	Dominant	Dominant
Grenada	Dominant	Dominant
Hong Kong	Dominant	Dominant
Jamaica	Note 1	Dominant
Macao	Dominant	Dominant
Maldives	Dominant	Dominant
Panama	Dominant	Dominant
Russia	Note 2	Note 2
Solomon Islands	Dominant	Dominant
St. Kitts & Nevis	Note 1	Dominant
St. Lucia	Dominant	Dominant
St. Vincent	Dominant	Dominant
Trinidad & Tobago	Dominant	Dominant

Note 1: CWHKTP is (1) non-dominant if providing only switched services through the resale of other U.S. authorized carriers' switched services (except affiliated U.S. carriers regulated as dominant on the route), and (2) dominant for all other services.

Note 2: For service to the Sakhalin Island region, CWHKTP is (1) non-dominant if providing only switched services through the resale of other U.S. authorized carriers' switched services (except affiliated U.S. carriers regulated as dominant on the route), and (2) dominant for all other services. For service to all other parts of Russia, CWHKTP is non-dominant.

CERTIFICATE

The undersigned hereby certifies, with respect to the foregoing application for transfer of control authority, that:

1. Pacific Century Cyber Works ("PCCW") is not a foreign carrier, nor is it affiliated with any foreign carrier.
2. PCCW has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.
3. No party to this Application is subject to a denial for Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).

By: _____


Robert J. Aamoth^s

Joan M. Griffin
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Suite 500
Washington, D.C. 20036
(202) 955-9600

Its Attorneys

Date: July 14, 2000

⁵ Pursuant to Section 1.743(b) of the Commission's Rules, this Certification is signed by PCCW's counsel on its behalf as all PCCW representatives that are authorized to sign the Certification are absent from the U.S.