

10 June 2002

## **Submission of Hutchison Global Crossing Limited**

### **Interconnection**

While interconnection issues have been hotly debated by other FTNS operators and led to numerous determinations by OFTA, we are less concerned with them because of our deliberate strategy of development of our own network, reliance on our self-built facilities and direct access to customers.

### **Type I Interconnection**

The most typical and the most desired Type I interconnect arrangement is that each party provides at its own costs its own interconnect facilities. Such arrangement saves costs and also minimize and to some extent avoid the complicated issues which arise from one party leasing from the other transmission circuits e.g. traffic forecasts, service ordering, costs recovery and incentives to PCCW-HKT to provide adequate switching ports, etc.

However, in our initial years when we were only beginning to build our network, we did not have the necessary transmission circuits to effect the desired bilateral Type I interconnect arrangements with PCCW-HKT. Our only option then was to lease from PCCW-HKT the required transmission circuits.

With our dedication to the continuing expansion of our own network, we have become capable of self-providing such transmission circuits and since July last year, our newly installed interconnect arrangements have been done on our self-provided circuits. We have also been working with PCCW-HKT on the migration of our Type I interconnect arrangements from the transmission circuits leased from PCCW-HKT to our self-provided facilities.

We expect that, in the near future, we will have a full bilateral interconnect arrangements with PCCW-HKT using only our self-provided facilities.

### **Type II Interconnection**

As our network coverage continues to expand as a result of our heavy capital investment infrastructure, we are increasing our reach to customers by our own direct fiber and are continuously reducing our dependence on Type II interconnect arrangements for reaching customers.

We believe that public interests are best served when we, Hutchison Global Crossing, focus ourselves in the deployment of the latest technology to develop our own infrastructure. It is only when the competition of a truly alternate network exists that consumers can benefit from having a genuine choice of world-leading, state-of-the-art services and enables Hong Kong to keep ahead in the region as the financial hub.