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Information & Communications Technology Authority

Our ref: ICTA/140/161-09
Your ref: GRCR/GR 15.20

5 June 2014

Mr. Frans Vandendries
Vice President, Legal, Regulatory & Corporate Affairs
LIME/Cable and Wireless (Cayman Islands) Limited
PO Box 293
Grand Cayman KY1-1104
CAYMAN ISLANDS

Dear Mr. Vandendries,

Re: Introduction of New Service

This is in response to the application filed by Cable and Wireless (Cayman Islands) Limited ("LIME") dated 8 April 2014 for authorization to offer a new service in the Cayman Islands for business customers called 'MetroNet' (the "Service"). The application for the introduction of the Service included two attachments, a copy of the proposed tariff pages for 'General Tariff Item 506 – Metro Ethernet Service' and a copy of the proposed 'Service Schedule to the Service Provider Agreement'.

In a letter dated 17 April 2014, the Information and Communications Technology Authority (the "Authority") addressed a number of questions to LIME concerning the proposed introduction of the Service. On 1 May 2014, LIME provided answers to these questions.

In a letter dated 12 May 2014, the Authority addressed further questions to LIME concerning the proposed introduction of the Service. On 22 May 2014, LIME provided answers to these questions.

In response to the Authority's question number 2 of 17 April 2014, LIME stated that *"only changes to the retail SLA would require prior approval by the Authority, in accordance with Annex 5 to LIME's ICT licence"*, whereas *"LIME's wholesale agreement and associated SLA is a separate contract from LIME's retail Tariff and associated SLA, and can change independently from the retail Tariff"*. LIME further noted that *"as long as the terms and conditions of the wholesale service remain equally or more favourable to the customer than the terms and conditions of the retail service, prior approval by the Authority would not be required and a contractual mechanism to effect the changes such as clause 8.3 would be necessary"*.

The Authority does not concur with LIME's opinion above and instead, while recognising LIME's desire to have sufficient flexibility for making changes to terms and conditions of the agreements and associated SLA for the regulated services it provides to its wholesale customers, the Authority considers that a prior notification of such changes to the Authority is the only mechanism that allows the Authority to monitor whether the proposed changes satisfy the regulatory condition that the terms and conditions of the wholesale services are equally or more favourable than the terms and conditions of the related retail services.

The Authority has completed its review of the application and, based on the above consideration, hereby approves the introduction of the Service by LIME subject to the following conditions:

1. Any proposed changes to the terms and conditions of the Service provided to LIME's wholesale customers shall be notified to the Authority at least five (5) business days before the effective change.
2. Any proposed changes to the terms and conditions of the wholesale Service shall remain equally or more favourable than the terms and conditions of the related retail Service.

Yours sincerely,

[signed]

Dr Vladimir Bulatovic
Senior Economist