

Ref: ICTA/160/161-09

16 August 2012

Mr. Anthony Ritch
General Manager
LIME/Cable and Wireless (Cayman Islands) Limited
P.O. Box 293
Grand Cayman KY1-1104
CAYMAN ISLANDS

Dear Mr. Ritch,

Re: Increase to residential line rental rate

This is in response to the application filed by Cable and Wireless (Cayman Islands) Limited ("LIME") dated 24 May 2012 to increase the residential line rental rate by \$1 per month effective 1 August 2012. LIME's application included proposed tariff pages for General Tariff Item 201 – Public Switched Network Access, Item 802 – Smart Choice and Item 802 – Smart Choice Plus.

In a letter dated 29 May 2012, the Information and Communications Technology Authority (the "Authority") addressed a number of questions to LIME concerning the proposed rate increase application.

LIME provided answers to the Authority's questions in a letter dated 27 June 2012 and provided additional information in response to the Authority's questions. In addition, LIME proposed the effective date be changed from 1 August 2012 to 1 September 2012.

The Authority has reviewed the application and hereby approves the \$1 increase to the residential line rental rate subject to LIME undertaking the communications plan as it proposed in the application and amended as specified below and subject to the following conditions.

- 1) As the July bill print period has passed and LIME has proposed to use the prior month's bill to provide advance notice of the rate change, the Authority determines that the effective date should be no earlier than 1 October 2012. LIME may choose a later date if it requires more time for its customer communications but the advance notification should be a minimum of thirty days before the effective date.

- 2) The table in Item 801.4 on proposed tariff page 8.3 lists an effective date of 1 August 2010. As the date in that table is different from the effective date listed in the page footers and the proposed effective date of the rate change, the Authority determines that, in order to avoid confusion, the phrase "Effective August 1, 2010" should be deleted from the table in the body of the page.
- 3) The table in Item 802.4 on proposed tariff page 8.6 lists an effective date of 1 August 2010. As the date in that table is different from the effective date listed in the page footers and the proposed effective date of the rate change, the Authority determines that, in order to avoid confusion, the phrase "Effective August 1, 2010" should be deleted from the table in the body of the page.
- 4) Although LIME's proposed customer communications material identifies that the fixed residential rental charge will increase by \$1, LIME also identifies in its 24 May 2012 letter that the rate changes will also apply to Home Plan customers. The Authority considers that the proposed customer communications material does not adequately identify for customers the specific rates that will change and what the old rates were and what the new rates will be. To address this, LIME is directed to add a Q and A section as the first item in the "Q&A Line Rental Increase" document that lists each of the rate elements (as they are named on the customer's bill) that will change along with the old and new rate. For example:

<u>Bill Item Description</u>	<u>Old Monthly Rate</u>	<u>New Monthly Rate</u>
Direct Exchange Line Residential	\$14.00	\$15.00
Smart Choice Plan A	19.00	20.00
Smart Choice Plan B	23.00	24.00
Smart Choice Plan C	28.00	29.00
Smart Choice Plus Plan A	19.00	20.00
Smart Choice Plus Plan B	23.00	24.00
Smart Choice Plus Plan C	28.00	29.00
Home Plan Plus 500	36.00	37.00
Home Plan Plus 800	43.95	44.95
etc.		

The Authority notes that the items listed above as examples may not be the naming convention that LIME uses for its billing. In the event that there are any differences in the naming conventions used in the tariffs and those used on customer bills, LIME should use the customer bill naming convention in this notice.

- 5) Within one week of the advertisement being published, LIME is directed to provide the Authority with a tear sheet showing the full page on which the advertisement was placed. An electronic format (such as pdf) is preferred.

- 6) By the effective date, LIME is directed to update its website to reflect the new tariff pages, change the mentions of these rates on other pages on its website to reflect the new rates and to notify the Authority in writing that it has done so.

In arriving at this determination, the Authority notes that the 10 July 2003 agreement between LIME, the Authority, and the Cayman Islands Government permits LIME to increase the monthly rates for residential line rentals by a maximum of \$1 each year after the first two years following the effective date of the agreement. As LIME's proposal is within the range permitted by the agreement, the Authority approves the proposal.

The Authority notes that in the proposed "Q&A Line Rental Increase" document, LIME makes statements about why it is raising prices, why customers should stay with LIME, and whether the price increase affects LIME's profits. The Authority has not evaluated these statements and makes no determination regarding the contents of those statements.

Yours sincerely,

[signed by]

David A Archbold
Managing Director