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Ref: ICTA/160/161-09

27 February 2015

Mr. Bill McCabe
Chief Executive Officer
LIME/Cable and Wireless (Cayman Islands) Limited
P.O. Box 293
Grand Cayman KY1-1104
CAYMAN ISLANDS

Dear Mr. McCabe,

Re: Increase to residential line rental rate

This is in response to the application filed by Cable and Wireless (Cayman Islands) Limited ("LIME"), dated 23 January 2015, to increase the monthly rates for its residential line rental rate by \$1 effective 1 May 2015. 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.

The Authority has reviewed the application and it notes that the previous increase of the monthly rates for residential line rentals by \$1 has been effective as from 1 June 2014. The Authority further notes that paragraph 35. Stage 3: a.(i) of Annex 5 to LIME's Licence permits LIME to increase monthly rates for residential line rentals by a maximum of \$1 "each year" (until such time as the Initial Price Cap plan is finalised and implemented). Accordingly, the proposed rate increase effective 1 May 2015 would equate to an increase in monthly rates for residential line rentals by \$2 in the period between 1 May 2015 and 31 May 2015.

Based on the above, the Authority hereby approves the \$1 increase to LIME's monthly residential line rental rate, subject to the following conditions.

- 1) The effective date for introduction of the proposed monthly residential line rental rate increase cannot be earlier than 1 June 2015.
- 2) The "Effective Date" on all of the proposed tariff pages is "1 May 2015". LIME is requested to change the "Effective Date" on the proposed tariff pages in accordance with the condition 1 above.
- 3) The "Effective Date" on the proposed press advertisement is "1 May 2015". LIME is requested to change the "Effective Date" on the proposed press advertisement in accordance with the condition 1 above.
- 4) The "Effective Date" on the proposed "Q&A Line Rental Increase" document is "1 May 2015". LIME is requested to change the "Effective Date" on the proposed "Q&A Line Rental Increase" document in accordance with the condition 1 above.
- 5) By the effective date, LIME is directed to update its website to reflect the new tariff pages, change the mentions of the affected rates on other pages on its website to reflect the new rates and to notify the Authority in writing via email to consultations@icta.ky that it has done so.

In arriving at this determination, the Authority notes that paragraph 35. Stage 3: a.(i) of Annex 5 to LIME's Licence permits LIME to increase the monthly rates for residential line rentals "*by a maximum of \$1, for each year after the first two years*" following the effective date of the agreement, until such time as the Initial Price Cap plan is finalised and implemented. As LIME's proposal, subject to the conditions specified above, 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. The Authority has not evaluated these statements and makes no determination regarding the contents of those statements.

Yours sincerely,

[signed by]

Dr Russell Richardson
General Counsel and Deputy Director Industry Affairs