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Ref: CAB/

Cabinet Office Government Administration Building Grand Cayman

26th June, 2008

Mr. Dave Archbold Managing Director Information & Communications Technology Authority PO Box 2502 GT Grand Cayman

Dear Mr. Archbold:

I refer to my previous letter of 23rd May 2008 regarding TeleCayman Ltd. In response to TeleCayman's letter to the Authority dated 12 June 2008, Government wishes to make available the following additional information concerning its decision to decline TeleCayman's recent request to lease duct space from Government.

Cabinet has recently been made aware of the request by TeleCayman to share (lease) duct space. As a result, Cabinet instituted a thorough review of its duct space, and copper and fibre network infrastructure. Of particular concern were Government's requirements for high resilience and future growth.

Cabinet has now concluded that it would be in neither the public nor national interest to allow third party network infrastructure to co-exist within the same duct space as Government's network cables without sub-ducting being utilized. In many locations, a single 2" duct is in place (rather than the 4" ducting incorrectly quoted elsewhere). Because of existing Government cable runs and the small size of the Government duct (2 inches), it is unfortunately not possible to introduce sub-ducting in these ducts. In some areas, a second 2" duct is available, but Cabinet has determined that this will be required for the expansion and modification of the Government's own network. Due to the need to boost redundancy and greater mitigate risks to business continuity by running independent (and multiple) links to locations where Government offices operate, we will easily consume all of our 2" ducts in the future.

In the short or medium term, we reasonably anticipate that all the ducting facilities we have now will be required for future expansion. Additionally, after considering all of the circumstances we are of the opinion that any access by TeleCayman as requested by them will cause real security and safety issues for Government in the conduct of its day to day business. Finally, it is Governments intention that the ICTA be approached with an application on the behalf of Government to grant an exemption from the obligation to provide interconnection or infrastructure sharing. The provision of multiple redundant links is crucial to the high availability of the Government IT infrastructure and systems, whose reliable operation is critical to national security and the economy.

Regretfully therefore, Government has declined TeleCayman's offer to lease duct space.

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Orrett Connor MBE, JP Cabinet Secretary

cc: Director, Computer Services