LIME. For Living. Everyday.

www.time4lime.com

One Technology Square 19 Eastern Avenue P.O. Box 293 Grand Cayman, KY1 - 1104 Cayman Islands.

P: +1 345 949 7800 F: +1 345 949 7646

16 November 2010

Mr. David Laliberte General Counsel Information and Communications Technology Authority, P.O. Box 2502 3rd Floor Alissta Towers Grand Cayman, KY1-1104

Dear Mr. Laliberte:

Re: <u>LIME Progress on Number Portability ("NP ") Mandate</u>

Cable and Wireless (Cayman Islands) Limited, trading as LIME ("LIME") is writing this letter to provide the Authority with an update on its progress relative to the NP mandate. With the recent CRD vendor selection decision at the LNP Consortium ("Consortium"), it is clear that the current mandated NP implementation date of 14 November 2010 is no longer realistic.

It should be emphasized that the following represents LIME's view only, and that this has not been shared or discussed with the other members of the Consortium.

Please note that LIME is filing this letter with the Authority in confidence and requests that the Authority treat it as such. This letter contains details regarding LIME's NP-related expenditures and network development activities and plans. This is financial and commercial information that is treated consistently in a confidential manner by LIME and is not otherwise publicly available. Its disclosure to the public, in particular to LIME's competitors would given them detailed information on LIME's cost structure, which could be used by them to develop more targeted competitive responses to LIME's initiatives, to LIME's financial and competitive loss. Confidential information is highlighted by "#" and a redacted version will be prepared for the public record.





LIME's NP progress to date:

LIME's progress includes:

- Resources were formally engaged since project commencement in March 2010
- Dedicated project manager was specifically hired in May to advance the progress of NP in the Cayman Islands
- LIME took Leadership of the Consortium, to move decisions forward
- Project schedules for key technology elements finalized
- Committed expenditures of # #, which represents over # #% of LIME's NP budget. Highlights include:
 - o LIME local routing database (# #) arrived on island, installation is well underway and is expected to be commissioned by the third week February 2011. The vendor is recognized as one the industry leaders in NP and have successfully implemented NP in numerous markets around the world.
 - CIS billing project approximately # #% complete
 - o Comverse prepaid billing solution in progress
 - o SMSC changes in progress
 - o Technical team engaged in reviewing routing prefix alternatives
- Project tracking in place to ensure LIME internal technical readiness (that is, not including the CRD and end-to-end operator testing) within the next 4-5 months

In summary, LIME has taken the NP mandate very seriously and has been moving forward in earnest to deliver on the Authority's mandate.

Delays at the Consortium:

The mandated NP implementation date of 14 November 2010 was established on 14 May 2010. Since the establishment of the NP mandate, a number of issues at the Consortium level have stalled the Consortium's forward progress. As the Authority is aware, these have included:

- Lack of agreement among operators on cost sharing, requiring reference of a dispute to the Authority
- Lack of agreement among operators on the assessment from the Consortium's Technical Committee
- Lack of agreement among operators on decision-making in the Consortium, requiring reference of a dispute to the Authority
- Lack of agreement among operators on selecting a CRD vendor, requiring reference of a dispute to the Authority

The members of the Consortium do not refer a dispute to the Authority lightly. Any dispute requires the members to expend substantial time and resources to file their respective dispute position papers on the issue in question, in the expectation of a reasonable and reasoned decision that would help move the process forward. This is why the Authority's recent ICT Decision 2010-10 is so disappointing. We do feel it is irrational and fundamentally flawed to have the lottery approach to breaking a deadlock and will continue to have concerns about it being part of the Consortium's

REDACTED Page 2

decision-making process. We continue to suggest that the Authority review this element of their decision.

Need for Constructive Involvement:

Authority determinations, as well as decisions not to make determinations, have a direct impact on the time and cost necessary to introduce NP in the Cayman Islands. For example, the random selection process of ICT Decision 2010-10 exposed operators and the public to a substantial risk of an additional US\$ 400,000 in costs and an additional three months of delay in launching NP services.

Going forward, there are several other key decisions to be made by the Consortium. These include:

- Agreement to the final implementation schedule
- CRD vendor contract decisions and sign-off
- Finalization of porting time intervals
- Definition of call routing prefixes

Each of these decisions will be complex and, depending on how they are determined, could result in increased delay and costs. Judicious and timely assistance by the Authority when a dispute is brought to it would significantly help ensure the process of implementing NP in the Cayman Islands is completed as soon as possible.

NP Implementation Date:

In any event, it is no longer realistic to expect the implementation of NP in the Cayman Islands based on the implementation deadline mandated back in May 2010. .

The estimated inter-operator NP rollout will be dependent on:

- 1) Full operator readiness as soon as possible.
 - Although LIME will be ready, the current state of readiness for the other Operators is not known. As the Authority is aware, NP can only become a reality if all operators are ready.
- 2) Closure of the CRD vendor contract within one month, i.e., by no later than 7 December 2010.
 - The CRD vendor is unlikely to agree to commence work prior to execution of a contract and any delay in agreeing a contract will delay the overall project.
- 3) Ability of the CRD vendor to commence implementation directly following contract closure.
 - Mobilisation of a team takes some time.
- 4) Timely decisions with respect to remaining Consortium matters.

Conclusion

In summary LIME has been earnest in its commitment to NP and has made continuous progress in its internal readiness for the last several months. However, based on the delays at the Consortium and on the key decisions that still remain outstanding, LIME has a number of concerns and ask that the Authority take a more active and constructive role at this stage.

REDACTED Page 3

LIME suggests that the Authority poll the other three Consortium members to assess their state of internal readiness with respect to NP.

LIME continues to support the move to NP in the Cayman Islands. We have invested considerable funds already to complete this project and we will continue to work with the Authority in getting to the final goal of NP in the Cayman Islands. However, a revised date of completion will need to be agreed with the other Consortium members, and LIME expects to make a formal submission on this matter following discussion with the other Consortium members.

Please do not hesitate to contact the undersigned if you have any questions.

Yours sincerely,
'Signed'
Frans Vandendries VP Legal Regulatory & Corporate Affairs

cc. David Archbold, Managing Director, ICTA
 Anthony Ritch, General Manager, LIME
 Donald Austin, EVP Legal Regulatory & Corporate Affairs, LIME

REDACTED Page 4