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Mr. David Archbold,
Managing Director,
Information, Communication Technology Authority,
P.O. Box 2502GT,
3rd Floor Alissta Towers,
Grand Cayman, KY1-1104

Dear Mr. Archbold:

Re: Local Number Portability – Request for Extension

Cable and Wireless (Cayman Islands) Limited, trading as LIME (“**LIME**”) has reviewed the 15 June 2011 request made by the LNP Consortium of the Cayman Islands (“**Consortium**”) for an extension of the deadline of the time to implement number portability services in the Cayman Islands (the “**Extension Request**”), the Authority’s 24 June 2011 response, and the Consortium’s 30 June 2011 reply. LIME is submitting the following observations on the activities of the Consortium and on LIME’s readiness to provide number portability services in the Cayman Islands. For the avoidance of doubt, the following represents the submission of LIME, and not those of the Consortium or of any of the other members of the Consortium (the “**Operators**”).

Negotiations with the CRD Vendor

The Extension Request notes that despite months of negotiations, the Operators and the CRD vendor have not yet signed a contract, and states that “several key sections” in the contract and “some key elements” of the porting rules remain to be ironed out.

LIME submits that negotiations with the CRD vendor have in fact been relatively easy. The CRD vendor has accepted most of the Consortium’s proposals and, where it has not, has offered counter-proposals that were acceptable to the Consortium.

The difficulty has been strictly among the Operators themselves. The negotiations on the “key sections” and the “key elements” mentioned above all involve only the Operators and have not been raised to the CRD vendor as issues. Further, they have all been raised as “issues” by Digicel. LIME will expand upon this further below.

Time required to implement and test

LIME remains convinced that a **maximum** of three months is required from the date of signature of the contract with the Central Reference Database (“**CRD**”) supplier for implementation of number portability services. When the Consortium presented its timelines to the Authority in December 2010, a five month period had been presented between signature of contract (estimated at the time to be the end of January 2011) and implementation of number portability on 1 July 2011. In our Consortium meetings, Digicel has presented this as part of its justification for supporting a five- to six-month implementation period after signing of the CRD contract.

In the December schedule it is clear that approximately one month is required to implement and integrate the CRD platform (i.e. the interval between the “CRD Contract Complete” and the “CRD Ready” milestones), and approximately two months are required for testing (i.e. the interval between the “All Operators Ready” and “Inter-Operator Testing Complete” milestones). For the avoidance of doubt, these three months were intended for integration and testing, not for readying an operator’s network. The schedule presented at the time assumed that Operators would not be internally ready to connect to the CRD platform until late April 2011. In any event Operators have had more than five months to ready their networks for number portability.

LIME has expended considerable effort over the previous twelve months to ready its networks and systems for number portability, and is ready to connect to the CRD platform as soon as the contract is signed by all four parties. Based on statements made by Logic and TeleCayman during Consortium meetings, it appears that they are also ready ready to connect. However statements made by Digicel in Consortium meetings, would suggest that they are not ready to connect to the CRD platform at this time and if this is indeed the case, this is hardly an acceptable position at this stage given the amount of time that has transpired.

Any Operator who is not yet ready to connect to the CRD platform, and requires the full six months contemplated by the December schedule, would not have been working to ready their network and other systems for number portability. Unfortunately, the inherent nature of number portability is such that it cannot be launched until all Operators are ready. This means that all of LIME’s efforts to comply with the Authority’s Decision 2008-5, and the millions that LIME has spent on this project, are for naught if other operators have chosen not to.

LIME requests, therefore, that the Authority issue a clear ruling that no more than three months will be permitted for implementation, integration and testing of the CRD platform.

LIME also recommends that the Authority issue a clear ruling that no further extensions to that deadline will be allowed. LIME is aware that all Operators are entering uncharted waters and unexpected issues might arise. Therefore, LIME recommends that the Authority be prepared to extend that deadline, but only if legitimate issues arise during the testing phase. To be “legitimate”, the issues must be both verified as legitimate by a statement from the CRD vendor to the Authority and by publicly-available test reports.

Deadline to start

LIME also submits that it is insufficient for the Authority to specify a date for launch of number portability services. Digicel has repeatedly stated in our Consortium meetings that it will not sign a contract with a CRD vendor unless it meets all of its requirements fully. While this is clearly a right that each Operator has, sound judgment, efficiency and a willingness to accept some compromises are all fundamental to the Consortium reaching decisions on almost any matter. Further, our minutes will reflect that Digicel has repeatedly raised “issues” in meetings of the Consortium and its committees, but has often only provided specific drafting or details about its concerns when repeatedly pressed to expedite the matter(s).

The most recent, and egregious, example of this occurred this past Tuesday when, only half an hour before the regularly scheduled Consortium meeting was to begin and before the final votes on contractual matters were to be held, Digicel sent through changes to the contract. These edits addressed issues that Digicel had raised on 15 March 2011, if not earlier, and which edits had been promised from 14 April 2011. These same issues were raised by Digicel only a week after the CRD vendor had sent through (on 8 March 2011) what it had hoped was the final contract, based on changes the Consortium (which includes Digicel) had requested in January and which had been negotiated with the CRD vendor in February. LIME notes that the draft contract had been provided by the CRD vendor in November 2010, and was itself largely based on the indicative contract agreed by the Consortium and included in the RFP in early May 2010. By no stretch of the imagination can it be argued that this amount of time was required to raise these issues or to provide these edits.

In other words, this dilatory negotiating approach has, unfortunately, successfully held up the launch of portability services.

The Authority will also no doubt notice from the foregoing that the issues surrounding “negotiations” have in fact not involved negotiations with the CRD vendor. All issues and delays have been tied to negotiations among the Operators to determine the agreed position to be taken to the CRD vendor. Further, for the most part those “negotiations” have consisted of LIME, Logic and Telecayman responding to changes put forward by Digicel.

Fortunately, the Consortium has been able to agree and resolve today (30 June 2011) all but one of the issues raised by Digicel on Tuesday, 28 June 2011,¹ and LIME is hopeful that the last issue will be resolved when we meet again tomorrow (Friday, 1 July 2011). However, the revised contract will have to be agreed by the CRD vendor, and it is not clear when that might occur. Nor is it clear that Digicel will in fact sign the contract that had been agreed by the Consortium, in light of their repeated statements that they will not sign a contract they are not 100% happy with.

Unfortunately, the Consortium cannot compel Digicel to sign a contract. Even if the full CRD contract were put to a vote and approved by a majority of the members of the Consortium, in accordance with the Authority's determination on decision-making within the Consortium, we would be no further ahead.

LIME requests, therefore, that the Authority issue a clear ruling that all operators must sign the agreed CRD contract by **7 July 2011**, assuming of course that the CRD vendor has no significant issues with the contract. This will enable all operators to begin integration, implementation and testing in a timely manner. LIME notes that the CRD vendor has provided all operators with the all of the information necessary to connect to its test platform in advance of signature of a contract.

Participation by the Authority

In its response to the Extension Request, the Authority states that “the purely technical and business process aspects of LNP implementation are properly matters for Consortium members to resolve for themselves.”

LIME is not convinced that the Authority's only options are either to make all the technical and commercial decisions for the Operators, on the one hand, or to be completely divorced from the process, on the other. The Authority has clear jurisdiction over its licensees and, as noted above, the problem has not been negotiation with the CRD vendor but rather negotiations among the Operators. LIME believes that timely intervention, or at least probing questions, by the Authority could have significantly accelerated the negotiations.

For example, LIME submits that it was obvious on the face of the 15 May 2011 report of the Consortium that the project was significantly delayed, as every milestone set for 2011 was marked in red, and “red” was clearly defined as “Project / milestone delivery date will not be achieved. No remediation plan in place or the plan that is in place is not achievable.” Yet, despite this, the Authority did not respond or ask why the milestones were not being met or why no remediation plan is in place. LIME believes that, had the questions been asked, it could have addressed the inter-Operator issues well before now. Nor should the issues among the Operators have been any surprise to the Authority, as a representative has attended virtually all meetings of the Consortium.

¹ The final porting rules, the “Business Process Rules”, were voted on on Tuesday, 28 June 2011. All other schedules to the contract have also been agreed or voted on. Once the contract is finalized among the Operators and agreed by the CRD vendor, there are no impediments to its execution.

Other matters

The Authority determined in Decision 2008-5 that both mobile and fixed portability were to be provided to consumers at the same time. LIME continues to endorse this determination. Number portability affects all operators equally, and LIME will **not** accept a situation where only three out of four operators, or all but one network, commercially launch number portability services. Consumers in the Cayman Islands deserve no less. In support of this position, LIME will not sign the CRD contract until **all** Operators are prepared or compelled to sign the CRD contract.

Conclusion

LIME asks the Authority to re-consider its decision to deny the Extension Request. However, LIME also urges the Authority to rule that

1. no more than three months will be permitted by the Authority for implementation, integration and testing of the CRD platform, and that no extensions will be allowed unless legitimate issues arise during the testing phase;
2. all operators must execute the CRD contract agreed by the Consortium and the CRD vendor by 7 July 2011; and
3. number portability services must be commercially available by 7 October 2011, and that no extensions to that date will be entertained, unless due to legitimate issue arising during the testing phase.

If the Authority does not set these deadlines, and specifically the three-month deadline for implementation, and clearly signal that further extensions will not be readily forthcoming, the implementation process will likely drag on and LIME believes that consumers will not likely benefit from portability until late in 2012.

Please feel free to contact me directly regarding any questions you may have.

Yours faithfully,
Cable and Wireless (Cayman Islands) Ltd.

Anthony Ritch
General Manager