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Information & Communications Technology Authority

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30 May 2013

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

Dear Mr. Ritch,

Re: ICTA Rescinds approval of 2011 Virtual Office Service changes

In an 11 March 2011 application, Cable and Wireless (Cayman Islands) Limited ("LIME") requested the Authority's authorization to change its Virtual Office service and tariff effective 1 April 2011. While, after requesting and receiving further information from LIME, the Authority approved those changes in a 10 June 2011 determination, to date, LIME has not implemented the approved service changes.

Background

For the purposes of service categorization under the terms of Annex 5 of LIME's licence, Virtual Office service is a Category 4 service as it provides a combination of Category 1 services (PSTN access) and Category 3 services (PBX station functionality). As such, the service filing rules for Category 1 apply to the service. One of those service filings rules it that LIME must publish on its website the currently approved rates, terms and conditions for all services to which the Category 1 rules apply.

Correspondence

On 21 March 2011, the Authority issued a number of interrogatories to LIME concerning the tariff wording and imputation test that were provided in LIME's 11 March 2011 service filing.

In the 31 March 2011 responses to those interrogatories, LIME provided additional information related to the service filing and LIME also provided revised proposed tariff pages that addressed items raised in Authority's questions.

On 24 May 2011 LIME responded to further interrogatories that were issued by the Authority on 12 April 2011 and were related to the imputation test.

In a 10 June 2011 determination, the Authority approved the proposed changes to the Virtual Office service as amended by LIME in its 31 March 2011 submission.

In a 28 November 2011 email to LIME, the Authority noted that LIME's website had not been updated to reflect the changes that were approved on 10 June 2011 for the Virtual Office service and requested LIME to either update its website or, in the event that the approved service changes hadn't been implemented, to identify the date LIME intends to implement those changes.

In a 16 December 2011 letter, LIME indicated that it had not yet implemented the tariff changes for its Virtual Office Service as approved by the Authority on 10 June 2011 but that it planned to implement the approved revised tariff by 1 April 2012.

In a 30 January 2013 email, the Authority noted that even though LIME had previously stated its intent to implement the changes by 1 April 2012, as of late January 2013 LIME's website was not showing the currently approved version. LIME was asked to update its website if the changes had been implemented or, if LIME has not implemented the changes that were approved, to either identify that LIME no longer intended to do so or specify the date that LIME intended to implement the changes.

While, via a 5 February 2013 email, LIME acknowledged receipt of the Authority's 30 January 2013 request and indicated that it would provide a reply, to date, the Authority has received no further response.

Authority Determination

The Authority notes that, in compliance with Annex 5 of LIME's licence, rate increases, rate decreases, or changes to the terms or conditions of services to which the Category 1 rules apply may only be made with the prior written approval of the Authority. The

Authority also notes that in compliance with its Licence, LIME must publish on its website the currently approved rates, terms and conditions for all services to which the Category 1 rules apply.

By not implementing the changes that have been approved by the Authority, LIME has, in effect reverted to a previous version of the rates, terms, and conditions without the Authority's approval. Also, having differences between the LIME rates, terms, and conditions published on it's website and those that have been approved by the Authority is not in compliance with LIME's obligation to publish the currently approved rates, terms and conditions for all services to which Category 1 rules apply.

While the Authority can understand that, when the approval date is later than the initial LIME requested effective date, LIME may need some short amount of time after an Authority determination to implement changes. However, in the Authority's view, the nearly two-year delay in implementing this approved change is unreasonable.

Therefore, the Authority makes the following determination:

the Authority rescinds the approval of the changes to the Virtual Office service filing that were previously approved in its 10 June 2011 determination.

LIME may, if at some point in the future it proposes to implement similar or other changes to the Virtual Office service, make an application to the Authority to do so.

Yours sincerely,

[signed]

Mark Connors Head of Economics and Regulation