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Cable and Wireless
(Cayman Islands) Limited
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LIME

26th May 2010

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

Dear Mr. Archbold:

Re: Application to Increase C&W Residential Line Rental Rate

Pursuant to paragraph 7 of Annex 5 to the 10 July 2003 Licence issued to Cable and Wireless (Cayman Islands) Limited ("C&W"), C&W hereby requests the Authority's consent to increase its residential line rental rate by \$1 per month.

Justification

Paragraph 35 of Annex 5 lists a set of Interim Price Restrictions that apply to the rates charged by C&W for the ICT Services it provides, until such time as the Initial Price Cap plan is finalized and implemented. As the Initial Price Cap plan has not been finalized and implemented, Stage 3 of the Interim Price Restrictions continues to apply .

For the purposes of the Interim Price Restrictions, C&W's ICT Services are divided into three "baskets": the "Frozen Basket" (consisting of Line rental, installation and reconnection services, the Light User Scheme, and Domestic Calling), the "Other Basket" (consisting of all other Category 1 services), and a third un-named "basket" consisting of all other ICT services provided by C&W.

During Stage 3, the following rules apply to rates for services included in the Frozen Basket:

- a. Frozen basket: no rate increase shall be permitted, except:

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- (i) Monthly rates for residential line rentals shall be permitted to increase by a maximum of \$1, for each year after the first two years after the Effective Date.

Consistent with the above provision, C&W is requesting authorization to increase its Residential Line Rental Rate from the current KY\$13 per month to KY\$14 per month.

Accordingly C&W will also increase the rental component of the SmartChoice bundle by KY\$1. SmartChoice is described in the General Tariff as a bundle of line rental, features, and other items. The line rental increase will also automatically apply to Home Plan customers although the price for the Home Plans is not being increased.

Tariff Amendment

Please find attached revised Tariff pages for General Tariff Item 201, 801 and 802.

Effective Date

C&W plans to introduce this Residential Line rental Increase effective August 1,2010

Customer Notification

Customer notification will be done via notice on customers' bills as well as via press advertisement.

Please contact me should you have any questions.

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

'Signed'

Anthony Ritch
Country Manager

c.c. Camille Facey, V.P. Legal Regulatory & Corporate Affairs