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Information & Communications Technology Authority

ICTA/194/Lic

2 October 2009

Mr. Stuart Diamond
Diamond Law Associates
4th Floor, Cardinal Plaza
30 Cardinal Avenue
P.O. Box 2887
George Town
Cayman Islands, KY1-1112

Dear Mr. Diamond,

Re: dms Broadcasting Ltd - Relocation of Cayrock 96.5 FM Transmitter

At its Board meeting on 1 October 2009, the Authority carefully considered dms Broadcasting Ltd.'s ("dms") application of 30 June 2009 to renew its FM broadcasting licence for a further five years, dms' application of 14 September 2009 to alternatively extend the term of its current licence and all submissions concerning Cayrock 96.5 FM made by dms and Paramount Media Services Ltd ("Paramount").

As you are aware, the operation of the four dms-owned FM broadcasting stations (Hot 104.1 FM, Kiss 106.1 FM, X-107.1 FM and Cayrock 96.5 FM) has been authorized by a single ICT licence issued to dms. The Authority has decided to renew the ICT licence granted to dms, but only for Hot 104.1 FM, Kiss 106.1 FM, and X-107.1 FM. The Authority will issue this new 5-year licence to dms over the next few days.

The application to renew or extend the term of the ICT licence covering Cayrock has been denied. dms has failed to comply with the Authority's order in ICT Decision 2008-4 to relocate the Cayrock transmitter outside of the George Town and West Bay districts.

The reasons for ICT Decision 2008-4 are stated in full in the Decision itself and need not be repeated here.

The Authority considers that dms has been provided with ample time to comply with ICT Decision 2008-4. As early as 2005, the Authority had been in discussions with all broadcasters about the "move out" policy and by 2008 all but three stations were

relocated outside George Town. dms was notified on 11 July 2008, by way of a letter from the Authority, that the Cayrock transmitter would have to be moved out of George Town no later than July 2009. In October 2008, the Authority formalised this policy by issuing ICT Decision 2008-4 which included specific instructions to the three stations remaining in the George Town area to move out by 15 July 2009. The Authority notes that dms did not file a request for reconsideration of that Decision within the timeframe set out in section 78 of the ICTA Law.

Exceptionally, Cayrock 96.5 FM was granted an extension, ending on 15 September 2009, but still failed to comply. All other FM stations are now operating outside the George Town/West Bay area; only Cayrock remains.

Based on the foregoing, please be advised that dms must cease operating Cayrock as of **5 October 2009 at 11:59pm**. Once dms can demonstrate that the Cayrock transmitter has been relocated out of the George Town and West Bay districts, dms may apply to add Cayrock to its licence.

You are reminded that the operation of an FM radio station without a valid ICT licence is an offence under section 82 of the ICTA Law. Although it would prefer not to have to take enforcement action, the Authority assures dms that it will take whatever measures it considers necessary to ensure compliance with the ICTA Law and its decisions.

Should you have any questions, please do not hesitate to contact me at (345) 746-9600.

Yours sincerely,



David Archbold
Managing Director

cc: Mr. Don Seymour, dms Organization Limited
Mr. Bryan Hollenbough, dms Broadcasting Limited
Mr. George Hunter, Island Electronics Limited
Mr. Kenny Rankin, Paramount Media Services Limited
Mr. Jamal D. Young, Goldfield Cayman
Mr. Kearney Gomez, Permanent Secretary, Ministry of DAW&GA