

18 July 2006

Mr. David Archbold
Managing Director
Information and Communications Technology Authority
PO Box 2502 GT
Grand Cayman

Dear Mr. Archbold,

**Re: Determination Request/Multi Protocol Labeling System (MPLS)
/C&W/CJFS Cable System**

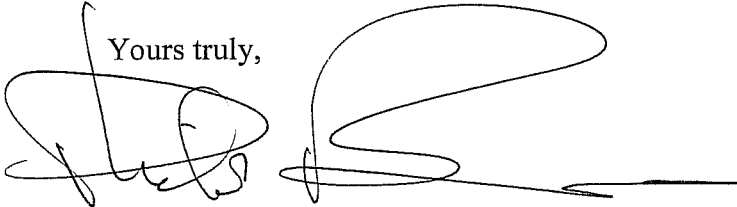
This is further to the Determination Request filed by TeleCayman Limited (TeleCayman) 11 July 2006 in respect of the above referenced matter.

TeleCayman received from Cable & Wireless, on July 17th, new CJFS Cable System pricing which is approximately 85% less than the pricing it received for "equivalent" capacity in responding to the AS&H and Maples and Calder bids. For the bids in question TeleCayman received a quote for an E 1 of approximately \$12,000. The C&W quote received by TeleCayman on July 17th prices a DS 3 circuit (i.e. 21 E1 circuits) at \$12,145 (copy attached).

TeleCayman is extremely concerned that such pricing should issue approximately one week after its Determination Request was filed and various comments made on the issue in the press. If C&W utilized the pricing now being made available to TeleCayman in responding to the bids in question (which was 85% higher than what C&W quoted to TeleCayman) it has breached subsection 36 (2) (d) of the Information and Communications Technology Authority Law (2004 Revision) (the Law) by applying dissimilar pricing conditions to equivalent transactions thereby placing TeleCayman at a competitive disadvantage. As C&W uniquely controls' pricing on the CJFS Cable System it is in a dominant position in this regard and any dissimilar pricing would constitute an abuse of a dominant position in a market contrary to section 40 of the Law. Additionally, if the pricing provided to TeleCayman for the E 1 circuits on the CJFS Cable System were not 20% less than provided for in the bids then C&W is in serious breach of Part 5 of its Licence and the regulatory regime negotiated with the Government of the Cayman Islands and the Authority.

TeleCayman respectfully submits that it is incumbent upon the Authority to conduct an investigation in accordance with section 41 of the Law as there are reasonable grounds for suspecting that the section 36 (and section 40) prohibition has been infringed. If C&W has indeed engaged in anti-competitive pricing on the CJFS Cable System it has significantly prevented competition on all large customer accounts which need redundancy off Island as part of their overall requirements. TeleCayman is equally concerned that C&W pricing for these bids, if the new CJFS Cable System pricing was utilized, would likely not pass imputation tests overall.

Yours truly,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Philip Brazeau

CC Mr. Rudy Ebanks, Chief Regulatory Officer, Cable & Wireless

Philip Brazeau

From: Andy Tybell [andy.tybell@telecayman.com]
Sent: Monday, July 17, 2006 11:40 AM
To: Philip Brazeau
Subject: FW: DS3 - STM-1 on CJFS for TeleCayman

Hi Philip,

Here is the pricing.

Could we have a chat before you put in the submission.

Cheers
Andy

Andy Tybell
Senior Business Account Manager
TeleCayman Ltd
Ph : 345 769 1000
Fax: 345 769 0999
Cell : 345 326 6183
BBerry: 345 526 6183
andy.tybell@telecayman.com
www.telecayman.com

From: Scott, Graham [mailto:Graham.Scott@cwca.cwplc.com]
Sent: Monday, July 17, 2006 9:15 AM
To: Andy Tybell
Subject: RE: DS3 - STM-1 on CJFS for TeleCayman

Andy,
1 Yr lease CJFS
DS3 = CI\$12,145 Install \$1000
STM-1 = CI\$31,576, Install \$1000.
I will get the SS to as soon as you advise of your requirements!

Regards,

Graham Scott

Traffic & Carrier Relations Manager,
Cable & Wireless (Cayman Islands) Limited
Tel: 1-345-815-3554
Fax: 1-345-814-0554
Cell: 1-345-916-8504

This email and any transmitted files with it are confidential and intended solely for the use of the individual to whom they are addressed. If you have received this email in error please notify the author immediately and delete it, together with all copies, from your system. You are unauthorised to directly, or indirectly, use, disclose, distribute, print or copy any part of this message if you are not its intended recipient.
