



CABLE & WIRELESS
CAYMAN ISLANDS

Cable & Wireless (C.I.) Ltd.
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Our Ref: GRCR/ COMP 8.7
24 March, 2006

Mr. David Archbold
Managing Director
Information and Communications Technology Authority
P.O. Box 2502 GT
George Town
Grand Cayman

Dear Mr. Archbold:

Re: Interconnect Transit and Termination Rates

Cable and Wireless (Cayman Islands) Limited ("C&W") read with dismay the response filed by TeleCayman Limited ("TCL") on 23 March 2006 to C&W's 2 March 2006 Determination Request in respect of TCL's contractual obligation to pay the full amount of Third Party National Telecom Providers' charges. C&W had expected that, as a responsible ICT Licensee, TCL would address the issue raised by C&W. Instead, after ignoring C&W's 16 February 2006 notice of grievance and filing this response late, TCL has gone out of its way not to respond to the issues raised by C&W.

C&W could not have been more explicit in its 16 February 2006 letter to TCL that the issue in dispute was **NOT** the level of the MTR charged by C&W or other mobile operators, or the specific MTR applied by C&W to calls from TCL terminating on C&W's mobile network. The issue was solely the fact that TCL was not honouring the terms of the interconnection agreement it signed on 11 May 2004, by not paying the full amount of the third-party charges for terminating transited calls on the networks of those third parties.

As such, the issue raised by C&W was very different from that raised by TCL in its 23 September 2005 Determination Request. TCL raised the issue of the level of the MTR charged by C&W to TCL for terminating calls on C&W mobile network. To repeat the above, the issue raised by C&W in its 16 February 2006 letter is that, even though TCL had agreed in writing to pay the termination charges of third party operators for all traffic transited over C&W's network, whatever those charges might be, TCL was refusing to pay those amounts. It is incorrect, therefore, and in the context of TCL's actions we suspect deliberately misleading, to say that the matter raised by C&W is *res judicata*.

Unfortunately, TCL ignored the issue of its breach of contract altogether in its 23 March 2006 letter. In fact, other than to acknowledge receipt, TCL made no reference at all to C&W's 16 February 2006 notice of grievance or to C&W's 2 March 2006 Determination Request. TCL chose instead to re-argue its position from its 23 September 2005 Determination Request, all of which is irrelevant to the question of whether TCL is in breach of its agreement with C&W.

The facts are clear: (1) **TCL agreed to pay the charges imposed by Third Party National Telecom Providers on all calls transited by C&W on TCL's behalf for termination on those third-party networks;** and (2) **TCL is in breach of contract**

C&W repeats its request, therefore, that the Authority issue a determination that,

1. pursuant to the terms of the Agreement, C&W is entitled to pass through to TCL, and TCL is required to pay C&W, the charges of \$0.1845 per minute imposed by third party mobile operators for termination on their networks of calls originating on TCL's network and transited to them via C&W's PSTN network;
2. TCL must pay forthwith to C&W all arrears owing, and must pay the full charges on a going-forward basis, for this transited traffic;
3. if TCL does not pay immediately all arrears owed and/or persists in not paying the full charges owing going-forward, for traffic transited by C&W for termination on third party mobile networks, C&W is entitled to terminate the provision of PSTN Transit services to TCL to the extent that such PSTN Transit services are used for calls originating on TCL's network and terminating on third party mobile networks.

Further, C&W advises TCL and the Authority that it is no longer prepared to show TCL the forbearance C&W has accorded since 2004. TCL is in breach of contract and C&W

is prepared to avail itself of all of its rights under that contract, including suspension of TCL's PSTN Transit service for non-payment of past due amounts.

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

"Signed"

Rudy B. Ebanks
Chief Regulatory and Carrier Relations Officer

c.c. Gloria Glidden, President and CEO, TeleCayman Ltd
Timothy P. Adam, Chief Executive, C&W
Lawrence McNaughton, EVP, C&W Carrier Services
Frans Vandendries, VP Regulatory Affairs, C&W