



REDACTED VERSION

Our ref: GRCR/GR 15.4/MOB 22.1
13 April, 2004

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

Dear Mr. Archbold:

Re: C&W's bFree Anytime Rates

Cable and Wireless (Cayman Islands) Limited ("C&W") is writing further to the Authority's ICT Decision 2004-1, in particular paragraph 104 which directed C&W to increase certain of its rates by minimum amounts, if C&W wished to continue to offer the affected mobile services and plans. With respect to bFree Anytime in particular, the Authority found that C&W failed the imputation test and required a weighted average increase in call charges of 0.04 per minute. The details of the imputation test were given in Attachment 3 of the Decision.

Based on Attachment 3, we believe that the Authority has omitted an important revenue component in its calculations, which, when included, would mean that C&W's bFree Anytime rates would pass the Authority's imputation test. In particular, the Authority appears to have omitted the 0.25-cent daily charge paid by bFreeAnytime customers, and associated revenues, from its test. This charge generates an average of # # cents per minute in revenue, based on the subscriber data used in the Authority's test (see calculation attached). These # # cents more than offset the apparent shortfall that was identified in the Authority's test. C&W's revision of the Authority's imputation test is set out in the attachment to this letter.

We note that in its various submissions on the imputation tests made over the past weeks, C&W also excluded the revenue from the 0.25-cent charge. However, we explicitly noted the exclusion of these charges from our calculations.

C&W therefore asks the Authority to reverse its decision that the bFree Anytime prepaid plan did not meet the Authority's imputation test, and stay this part of its determination

pending verification of our position on this matter. We consider a stay to be critical, in order to limit customer confusion and financial prejudice to the bFree Anytime customer.

C&W requests the Authority's decision on this matter as soon as possible, in order to allow us to make any necessary changes to our systems and to communicate any changes to our customers to minimize any additional confusion.

C&W requests confidential treatment of certain information included in this letter. Such information would provide C&W's competitors with information regarding C&W's costs, revenues and subscriber numbers. This information is financial and commercial information that is treated consistently in a confidential manner by C&W and the information is not otherwise publicly available. Further disclosure of the information could reasonably be expected to prejudice significantly the competitive position of C&W, and cause C&W specific direct harm. Disclosure of the information would permit C&W's competitors to tailor their prices and services in order to more effectively compete with C&W and target C&W's customers. A redacted version of this letter and attachment has been provided for the public record.

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

[Signed]

Rudy B. Ebanks
Vice President, Regulatory and Carrier Relations

c.c. Timothy Adam, Chief Executive C&W
Lisa Agard, EVP Legal Regulatory and Carrier Services C&W
Frans Vandendries, Senior Regulatory Advisor C&W

Attachment

C&W bBFree Anytime Imputation Test Results

Revised Imputation Test Calculation

Call Type	Time Band	Proposed Rate ¹	Effective Cost per Minute ¹	Cost ¹	Implied Total minutes	Proposed Rate + Daily Charge	Proposed Rate + Daily Charge minus Cost	Pass Imputation
		A	B	C	D = C / B	E = A + K	F = E - C	
Totals	Daytime	# #	# #	# #	# #	# #	# #	# #
	Evening	# #	# #	# #	# #	# #	# #	# #
	Late Night	# #	# #	# #	# #	# #	#- #	# #
	Weekend	# #	# #	# #	# #	# #	#- #	# #
	Total	# #	# #	# #	# #	# #	# #	Yes

¹ From Attachment 3 of ICT Decision 2004-1, at page 32.

Revenue per minute from Daily Charge

Number of Subscribers²	G	# #
Daily Charge	H	\$ 0.25
Days in February	I	29
Total revenue	J = G * H * I	\$ # #
Revenue per minute	K = J / D	\$ # #

² Average number of bFree Anytime subscribers actively using their handsets in the month of February 2004.