

Our Ref: GRRCR/GR 15.4
11 May, 2004

Ms. Elaine Leung
Head of Economics and Regulation
Information, Communications Technology Authority
P.O. Box 2502GT
3rd Floor Alissta Towers
Grand Cayman

Dear Ms. Leung,

Re: Mobile and ADSL Tracking Information

Please find enclosed our responses to your request for mobile and ADSL tracking information dated 26 April.

Pursuant to Regulation 3 of the *Information and Communications Technology Authority (Confidentiality) Regulations, 2003* (“Regulations”), C&W hereby requests that all of the attached information in this submission be designated “confidential”. This information consists primarily of confidential and highly sensitive demand and billing information.

Further to Regulation 3(b), the information is commercial information, the details of which are treated consistently in a confidential manner by C&W and are not otherwise publicly available. C&W notes that this letter contains detailed information on C&W costs and revenues, in highly disaggregated and granular form. C&W treats such information as confidential, and does not release it to any persons other than those within the company who strictly need to know.

Further to Regulation 3(d)(i), disclosure of the demand and billing information in this submission can reasonably be expected to result in significant financial loss to C&W, and significant financial gain to its competitors, if it were disclosed to the public. Disclosure would enable them to develop competitive and targeted marketing and pricing strategies, designed to “cherry-pick” customers in Cayman. The result would be to C&W’s significant financial loss.

Further to Regulation 3(d)(ii), disclosure of the demand and billing information can reasonably be expected to prejudice the competitive position of C&W. C&W notes that disclosure of the information would provide to C&W's actual and potential competitors details of C&W's customer base and revenue structure. C&W's competitors and potential competitors would use this information to create marketing strategies that would more effectively respond to C&W's marketing and pricing strategies, which would significantly impair C&W's competitive position in a highly competitive marketplace.

As noted above, the details of this submission and of the adjusted FAC model have not been disclosed to the public, and disclosure has been restricted to a limited number of key individuals in the company.

The confidential details in this submission relate to the market for mobile services in the Cayman Islands. As the Authority is aware, that market is highly competitive, and disclosure of the confidential information in this submission would cause C&W specific direct harm. Because of the nature of the data, the extent of that harm is not limited by the currency of the information. Accordingly, C&W requests that the confidential information in this letter be treated as confidential on an on-going basis.

The public interest does not require disclosure of this confidential information (except to the Authority). As noted above, disclosure would significantly prejudice C&W. Further, disclosure to the public (other than the Authority) is not required, as the Authority is responsible for administering the imputation test under C&W's Licence.

C&W will not provide a redacted version of the accompanying spreadsheets, as such version would be meaningless. This submission describes the content and nature of the spreadsheets.

1. For each postpaid plan that is the subject of ICTA Decision 2004-1, dated 7 April 2004, provide the following information:
 - For each of the following monthly queries, with the exception of March 2004, exclude the subscribers to the plan that initiated a contract during to the month at issue. In the case of March 2004, exclude the subscribers to the plan that initiated a contract from the date the plan migration was implemented through the end of the month.
 - Subscriber activity is to be defined as the activity associated with a billed account, not the activity associated with an individual handset.
 - i) Identify the aggregate actual usage volumes of included on-net plan minutes, on a monthly basis, by customer decile, from the date the plan migration was implemented. In other words, identify the aggregate actual usage volumes of included on-net plan minutes of the lowest consuming 10% of the subscribers to the plan that do not meet the above exclusion criteria (decile 1), the second lowest consuming 10% of the subscribers to the plan that do not meet the above exclusion criteria (decile 2), and so on through the highest consuming 10% of the subscribers to the plan that do not meet the above exclusion criteria (decile 10).
 - ii) Identify the aggregate actual usage volumes of additional on-net minutes in each decile identified in 1(i).
 - iii) Identify the aggregate actual usage volumes of off-net minutes in each decile identified in 1(i).
 - iv) Identify the number of subscribers in each decile identified in 1(i).
 - v) Identify the month-ending aggregate number of handsets associated with the subscribers in each decile identified in 1(i).
 - vi) Identify the aggregate number of additional handsets added to the subscribers' plans during the month at issue in each decile identified in 1(i).

Response

Please find enclosed in Appendix A our response for March and April 2004.

2. On a monthly basis, beginning 31 December 2003, identify by month, the number of C&W ADSL subscribers by plan name (e.g., x128, x256, etc.), the corresponding maximum available downstream capacity (128 Mbps, 256 Mbps, etc.) and the customer type (business, residential or other (indicate what "other" refers to)) for each month in the quarter.

Response

Please find enclosed in Appendix B our response for December 2003 to first week of May 2004 data. Please note that the data submitted in our ADSL imputation test interrogatory ties back to the February 04 billing data included in Appendix B.

3. On a monthly basis, beginning 31 December 2003, identify by date, the promotions offered during the month, the terms and conditions of the promotion, and the number of subscribers that signed up for the promotion by plan name, the corresponding maximum available downstream capacity and customer type.

Response

As indicated in our previous phone conversation, C&W gives notification to the Authority of all promotions in advance of their introduction. The Authority should therefore already have the times and the terms and conditions. According to our records, all promotions covering the period specified are contained in our letter to you on 2 January of this year. We attach this letter for your convenience.

Identification of subscribers to promotions is extremely difficult. We are currently investigating how we could gather this information expeditiously.

Yours sincerely
Cable & Wireless (Cayman Islands) Ltd.

__["Signed"]_____
Rudy
Acting Chief Executive

Cc: Timothy P. Adam, C.E., Cable & Wireless (Cayman Islands) Limited

Lisa Agard, EVP Legal Regulatory & Public Policy,
Cable & Wireless (Cayman Islands) Ltd.
Frans Vandendries, Senior Regulatory Advisor
Erik Whitlock, Advisor, Regulatory Economics