



Information & Communications Technology Authority

**Public Consultation
on
Costing Manual**

Ref: CD 2005-1

Launch Date: 27 Oct 2005

Closing Date: 26 Apr 2006

1.0 INTRODUCTION

In this public consultation document, the Authority seeks comment from all interested parties on a costing manual that will be used by Cable and Wireless (Cayman Islands) Ltd. ("C&W") to develop Forward-looking Long-run Incremental Costs ("FLLRIC") for its services.

Among other things, the FLLRIC costing manual and associated model will be used to develop rates for interconnection services with other telecommunications service providers, to ensure that C&W's retail rates are not anti-competitive, and to quantify any access deficit.

This public consultation is a continuation of the FLLRIC development process. The first phase of that process was initiated by a public consultation on 24 May 2004 entitled "Forward-looking Long-run Incremental Costing (CD (2004) 1)" and concluded by an Authority decision on 22 July 2005 entitled "ICT Decision 2005-4 - Decision for the Forward-looking Long-run Incremental Costing Consultation (CD (2004) 1)" ("ICT Decision 2005-4").

2.0 PROCESS

ICT Decision 2005-4 outlined the process that would be used to develop the costing manual and associated model and requested C&W and other parties to provide comments on the time frames for the review of the costing manual. On 8 September 2005, C&W submitted its suggested schedule and on 23 September 2005, Digicel provided comments on C&W's submission.

The Authority has given consideration to these submissions and concludes that the following procedure should be used in this proceeding:

- by **12 December 2005**, C&W is required to file with the Authority and copy all parties:

- a) its proposed costing manual along with any supporting rationale and explanations and the example costing studies developed using that manual. Among other things, C&W's proposed costing manual should include its proposal on how to allocate common costs, its proposed determination and level of expense factors, and its proposed economic asset lives;
- b) pursuant to paragraph 104 of ICT Decision 2005-4, any information from other jurisdictions where competition exists regarding the determination and level of expense factors as well as any information supporting the applicability of such factors to the Cayman Islands;

- c) pursuant to paragraph 114 of ICT Decision 2005-4, the supporting asset life studies used in developing its proposed economic asset lives;

- by **20 January 2006**, parties other than C&W are requested to file with the Authority and copy all parties:

- a) any proposed changes to C&W's draft costing manual along with any supporting rationale and explanations;
- b) pursuant to paragraph 54 of ICT Decision 2005-4, any proposals and supporting rationale on how to allocate common costs;
- c) pursuant to paragraph 104 of ICT Decision 2005-4, any information from other jurisdictions where competition exists regarding the determination and level of expense factors as well as any information supporting the applicability of such factors to the Cayman Islands;

- by **6 February 2006**, parties may address interrogatories to any party that has filed a submission pursuant to the above directions (parties should file the interrogatories with the Authority and copy all other parties);

- by **6 March 2006**, parties are required to file responses to any interrogatories with the Authority and to copy all other parties;

- by **10 April 2006**, parties may file comments with the Authority. Any comments filed should be copied to all other parties;

- by **26 April 2006**, parties may file replies with the Authority to any comments filed pursuant to the above paragraph. Any reply comments should be copied to all other parties.

The Authority also may address interrogatories to C&W and parties who file submissions by 20 January 2006.

3.0 PROCESS GUIDELINES

All submissions should be filed with the Authority at the addresses provided below. In addition, all submissions should be copied to all parties at the same time they are filed with the Authority.

By post:

Information and Communications Technology Authority
P.O. Box 2502GT
Grand Cayman
Cayman Islands

Or by courier:

Information and Communications Technology Authority
3rd Floor, Alissta Towers
North Sound Way
Grand Cayman
Cayman Islands

Or by e-mail to:

consultations@icta.ky

Or by fax to:

(345) 945-8284