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January 17, 2006

David Archbold
Managing Director
Information and Communications Technology Authority
PO Box 2502 GT
3rd Floor, Alissta Towers
85 North Sound Road
Grand Cayman
Cayman Islands

Dear Mr. Archbold,

Re: Digicel's request dated 16th January, 2006 – FLLRIC Cost Model

Digicel acknowledges receipt of a copy C&W's letter to the ICTA of 17 January 2005 re the captioned item.

It is quite remarkable how quickly Cable and Wireless ("C&W") can respond to requests from Digicel when the objective is to put a case to the Authority for reasons why a Digicel's requests should be ignored or denied. When we originally requested sight of models that had already been produced in a letter dated 21 December 2005, C&W outlined in a lengthy response why this should not be allowed the very next day. Yet when the Authority determined that all parties had the right to see these models in its correspondence of 4 January 2006, it took C&W **more than a week to supply these**. Digicel received copies of the models at 8.23 pm on 11 January 2005 – this was well after close of normal business hours and so after the deadline set by the Authority. If C&W were genuinely interested in progressing the FLLRIC process they would have sent on the excel soft copies in a matter of hours rather than waiting up until the absolute limit (and beyond) of the deadline imposed on them by the Authority.

Digicel can only conclude that it is not in C&W's interest that all parties are permitted to make as an informed contribution as possible to the process. C&W are after all, the ones entirely in control of how the models are produced and have full knowledge of their construction on a step-by-step basis. Digicel and other stakeholders on the other hand must try and simulate vast amounts of information without being party to that construction process.

In 2004, an independent report produced by Ovum identified significant cost misallocations by C&W in its FAC model. In fact, Ovum determined that C&W's model at that time was 'not fit for purpose'. This experience, coupled to C&W's well documented history in the Cayman Islands generally means that Digicel are obliged to be ultra vigilant in its dealings with C&W with respect to this FLLRIC process and cannot afford to engage in a haphazard manner on the process.

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To ensure that Digicel is able to fully scrutinise and assess the cost manual produced by C&W, Digicel has again employed the assistance of an external independent consultancy to review the models. Digicel would remind C&W and the Authority that these experts come at considerable expense to Digicel and they must be allowed to do their job thoroughly in the interest of levelling the playing field – which as Digicel has argued previously, is very much tilted in C&W's favour in this process.

The fact that C&W requested 2 days, 2 weeks or 2 months previously in the process is completely irrelevant. As far as Digicel recalls no party at that time made any objection to C&W's request for an extension. This coupled to the fact that C&W could have supplied the excel models as early as 5 January 2005 if it was truly interested in expediting the process, should tell the Authority much about C&W's true motivation.

We would also remind C&W that the only reason that the original FLLRIC deadlines as set in 2004 were not met (not withstanding hurricane Ivan) in the first place, and as recognised in previous correspondence from the Authority, was due to the chaos that ensued as a consequence of C&W's actions at the market liberalisation phase.

Digicel therefore reiterate its request for the 2 weeks extension in the interest of due process and to allow ample time for our external consultants to provide a complete report to us on the matter. Digicel has in fact been extremely reasonable in keeping its request for an extension to 2 weeks.

Yours sincerely,



John D. Buckley
Chief Executive Officer