



PO Box 2502 G.T.
Grand Cayman
Cayman Islands
Tel: (345) 946-ICTA (4282)
Fax: (345) 945-8284
Web: www.icta.ky

Information & Communications Technology Authority

ICTA/80/105/105-11

8 February 2006

To: CD 2005-1, **Costing Manual** Public Consultation Distribution List

In a 16 January 2006 letter, Digicel requested that the Information and Communications Technology Authority (the "Authority") provide a two-week extension to the 20 January 2006 deadline for response to the Cable and Wireless (Cayman Islands) Limited ("C&W") LRIC costing manual submission because of an alleged delay in receiving soft copies of the fixed and mobile Excel models.

In a 17 January 2006 response to Digicel's request, C&W indicated that it had intended to submit a revised complete model after receiving first comments from interested parties and, in a 19 January 2006 follow-up letter, C&W identified that it read the original CD 2005-1 procedure to be an iterative process that would allow change and refinement of the model and manual throughout the proceeding. Also in the 19 January 2006 letter, C&W indicated that it would be ready to file its full manuals and models by 10 March 2006. C&W proposed revised procedural dates which would, in its view, accommodate the process the Authority appeared to have originally envisaged as well as accommodate C&W's resource and time constraints.

The Authority has reviewed the submissions of the parties and concludes that C&W's suggested revised procedural dates would require parties to provide comments and changes to an incomplete manual and would not allow parties to provide comments and changes to the complete manual and model. Such a process would unnecessarily complicate the procedures as an opportunity for parties to provide comments and proposed changes to the complete C&W manual and model should also be provided.

Therefore the Authority concludes that the process it had originally specified in CD 2005-1 remains appropriate and that the dates should be shifted to accommodate C&W's submission of a complete costing manual and model at the start of the process.

The following procedure will be used in this proceeding:

- by **10 March 2006**, C&W is required to file with the Authority and copy all parties:

- a) its proposed full costing manuals and costing models along with any supporting rationale and explanations and the example costing studies developed using those manuals and models. 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 **21 April 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 manuals and models 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 **5 May 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 **2 June 2006**, parties are required to file responses to any interrogatories with the Authority and to copy all other parties;

- by **7 July 2006**, parties may file comments with the Authority. Any comments filed should be copied to all other parties;

- by **21 July 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 21 April 2006.

For greater certainty, the Authority identifies that this process is not an iterative process and that C&W will not be provided an opportunity to resubmit its costing manuals and models throughout the proceeding.

The Authority also requires that, consistent with the Authority's 4 January 2006 letter, when C&W provides the cost models, it is to provide the Authority and interested parties to this proceeding with the complete cost models with any confidential information removed. C&W should identify any cells where confidential information has been removed and C&W should leave any formulas or calculations intact in these models.

C&W is also to provide the Authority with a copy of the models with any confidential information intact, identifying any cells which contain confidential information, and leaving any formulas or calculations intact in these models.

Yours sincerely,

[Signed]

David A. Archbold
Managing Director