



Cable & Wireless (C.I.) Ltd.
P.O. Box 293, GT
Grand Cayman, BWI

Telephone: 345-914-0550
Facsimile: 345-949-8453
Telex: CP 4210

Our ref: GR/CR/15.19
10 March 2006

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

Dear Mr. Archbold:

Re: ICTA Public Consultation on Costing Manual – CD (2005)-1

1. Please find attached our response to the requirements set out in the Authority's 8 February 2006 letter, in particular, our submission of:
 - our proposed costing manuals and costing models with any supporting rationale and the example costing studies using those manuals and models, including among other things, proposals on how to allocate common costs, determination and level of expense factors and economic asset lives.
 - 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.
 - any supporting asset life studies in developing proposed asset lives.
2. Please note the costing manuals as our earlier, December submission comes in three parts:
 - The Background document, which deals introduces the draft manual and deals with issues common to both Fixed and Mobile LRIC
 - The Fixed Network draft manual
 - The Mobile Network draft manual
3. We also submit the LRIC cost models in two versions: a confidential version to the Authority and another version to other interested parties.

Confidentiality Claim

4. Pursuant to Regulation 3 of the *Information and Communications Technology Authority (Confidentiality) Regulations, 2003* ("Regulations"), C&W hereby requests that some of the information in this submission be designated "confidential". This information consists primarily of confidential and highly sensitive cost information.
5. 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 information on C&W costs appears 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.
6. Further to Regulation 3(d)(i), disclosure of the cost 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.
7. Further to Regulation 3(d)(ii), disclosure of the cost 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 cost 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.

8. As noted above, the details of this submission, and disclosure has been restricted to a limited number of key individuals in the company.
9. The public interest does not require disclosure of this confidential information (except to the Authority). The models submitted are required for interested parties to test how the models work, run their own inputs and test their own sensitivities. Cost information specific to C&W are not necessary to do this. As noted above, disclosure would significantly prejudice C&W.
10. Further to Regulation 4(1)(c) of the Regulations, C&W is submitting a non-confidential version of the cost model. We note that this request is consistent with the Authority's requirement in its 8 February letter that "any confidential information [in the cost model be] removed." Further, we replaced the confidential information with proxy figures (in order to maintain the integrity of the model and its calculations) and marked in yellow. As required in the same letter, all formulas or calculations have been left intact.

Please contact me regarding any questions you may have.

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

"Signed"

Rudy B. Ebanks
Chief Regulatory and Carrier Relations Officer

c.c. Timothy Adam, Chief Executive C&W
Ian Tibbetts, Chief Operating Officer C&W
Frans Vandendries, VP Regulatory C&W
Interested Parties in CD (2005) - 1