



CABLE & WIRELESS

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15 May 2007

Mr. David Archbold,
Managing Director,
Information and Communication Technology Authority,
3rd Floor Alissta Towers,
P.O. Box 2502GT,
Grand Cayman. KY1-1104

Dear Mr. Archbold:

**Re: Public Consultaion on Costing Manual – CD 2005-1 – ICTA/Telecordia
Second Round Interrogatory - Responses**

Further to our submission of revised FLLRIC models on 25 April 2007, please find an accompanying redacted or “generic” version of those models. We replicate below the Second Round Interrogatory to which the revision of the models is responsive. Please note that we have used the same dummy information and formatting as in the March generic version of the models. The only changes in the models are those captured in our response to the Interrogatory below.

3.1 Model Errors

1. Please provide revised versions of both the fixed and the consolidated model, correcting the numeric and formula errors in the fixed model that were identified in the previous interrogatories and acknowledged by C&W in its responses. With it, please provide a list of all the changes made.

C&W Response

Please find attached the revised confidential versions of both fixed and consolidated models, correcting the numeric and formula errors in the fixed models that were

identified in the previous interrogatories and acknowledged by C&W. We note that, for completeness, we are also including an unaltered version of the mobile model.

The following list captures the changes that were made.

- 1) With respect to Interrogatory 3.4.1, fixed-model volumes were adjusted to be consistent with the volumes in Appendix VI of our response.
- 2) With respect to Interrogatory 3.5.4, the formulas for the Shared duct (2-bore through 12-bore) in cells: C30 - C78 were corrected and are now calculated using (Equipment Purchase Price + Installation Labour)*Planning Cost % of Capex.
- 3) With respect to Interrogatory 3.5.6, the formula (Equipment Purchase Price + Installation Labour)*Planning Cost % of Capex was applied to fiber optical cable joints Cell G:198.
- 4) With respect to Interrogatory 3.8.2., the 8 fiber optical (Aerial and Underground) cable now reflects its own investment cost and no longer is using the 12 fiber optical cable cost.
- 5) With respect to Interrogatory 3.13.1, all the superfluous references to 'notes' have been deleted from the workbooks.
- 6) With respect to Interrogatory 3.15.1, all bugs associated with the 'Go to' and 'Menu/Contents' buttons have been checked and corrected.
- 7) With respect to Interrogatory 3.15.2, the formulas that referenced the pivot table in range A6- A56 have been revised to read 'COUNTIF(\$A\$7:\$A\$55,"<>0")'.
- 8) With respect to Interrogatories 3.15.4-12 All the errors mentioned in this section of the 1st round interogs are as a result of the pivot table referenced in range B6-L9 not being refreshed. The associated links (E17 - L28) to this pivot table were therefore also misaligned. In addition, cells N9 and O9 were also incorrect. All the errors associated with this pivot table have been corrected by refreshing the pivot table and all associated links to it.

Please note that, as expense factors are a function of bottom-up results, in addition to the changes in the bottom-up models described above, there are corresponding changes in the expense factor sheet.

Confidentiality Claim

C&W makes the redaction of confidential information pursuant to Regulation 3 of the *Information and Communications Technology Authority (Confidentiality) Regulations, 2003*

("Regulations"). The redacted information consists primarily of confidential and highly sensitive cost 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 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.

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.

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.

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

cc: Timothy Adam, Chief Executive C&W
Ian Tibbetts, Chief Operating Officer C&W
Frans Vandendries, Vice President Regulatory Affairs C&W
Erik Whitlock, Regional Vice President Regulatory Finance C&W
Interested Parties in CD (2005) - 1