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Cable and Wireless
(Cayman Islands) Limited
P.O. Box 293
Grand Cayman KY1-1104
Cayman Islands

Telephone +1 (345) 949-7800
Fax +1 (345) 949 7962

LIME

1st July 2010

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

Dear Mr. Laliberte:

Re: LNP Cost Sharing Methodologies

LIME is providing the following submission on its preferred methodology for sharing the common costs of Local / Mobile Number Portability (“**LNP/MNP**”) in the Cayman Islands as directed by the ICTA in the Local Number Portability Consortium (LNPCo) held on June 29, 2010.

In LIME’s view the cost-distribution methodology chosen must satisfy the following criteria:

1. It must be simple to administer.
2. It must rely on publically available, or at least non-confidential, information.
3. It must be equitable to all operators, ensuring those who benefit from LNP/MNP pay for it.
4. It must be based on cost-causation principles, ensuring those who cause a cost incur the cost

Having regarding to the criteria specified, LIME recommends “Equal Division” recovery of the common cost from all operators.

Using “Equal Division” recovery, the common costs would be divided by the number of existing telecommunications licensees. As new operators are licensed by the Authority or as existing licensees surrender or lose their licenses, the denominator would be adjusted accordingly. All the necessary information is reasonably constant over time and public information readily available from the Authority’s website.

It is the simplest system to administer and which would require the least investment of time among the licensees to keep updated. Further, the data required is publically available and confidentiality or complex calculations would be irrelevant.

Besides its simplicity and practicality, the “Equal Division” approach is the most reasonable. All operators stand to benefit from the introduction of LNP/MNP services, especially the smaller operators who benefit from gaining a larger addressable market from the lowering of switching barriers enabled by LNP/MNP. As such, common costs incurred to set up and operate LNP/MNP are appropriately borne equally by all participating operators. It is also the methodology used in two other jurisdictions that LIME is aware of, to recover the common cost for number portability.

Yours sincerely,

‘Signed’

Anthony Ritch
General Manager