Digicel
Cayman's Bigger, Better Network.

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October 12, 2012

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

Dear Mr. Archbold,

Public Consultation on FTR and Transit Rate (CD 2012-1): Disclosure Request

Digicel (Cayman) Ltd ("Digicel") hereby requests full disclosure by Cable and Wireless (Cayman Islands) Ltd ("LIME") of the Fixed FLLRIC model from which its proposed FTR and Transit Rates are derived including all supporting calculations and any related documentation and explanations.

Digicel is seeking full disclosure of the model because in particular of the extreme divergence between the anticipated use and purpose of an NGN network in the Cayman Islands by comparison to anywhere else in the world. The primary purpose of upgrading a network from PSTN to NGN is the provision of high speed and high capacity data services. The model presented by LIME is not fit for purpose especially given that we are now in an NGN world, and as evidenced by the fact that globally fixed interconnection LRIC costs for an NGN network are approaching zero, yet LIME's model somehow manages to produce rates that are 300-400% higher than even PSTN LRIC costs of more than decade ago.

If Digicel is granted full access to the cost model we are confident that we can demonstrate this to the Authority in more concrete terms. Digicel has no interest in the detail of model other than to expose how out of kilter it is with the principles initially proposed for assessing interconnect rates. That the model is not reflective of a hypothetically efficient operator with an NGN network must we believe be obvious to an objective observer based not just on the outputs of the model, but the fact that voice rather than data services is shown to be the key cost driver in the core network in the second decade of the 21st century. All interested parties ought to have full sight of a model that claims to produce such extraordinary results and which leads to the Cayman Islands veering so far from global standards.

Directors: Denis O'Brien (Chairman), Michael Alberga, Leslie Buckley, Conor O'Dea

Digicel would also flag at this stage that as the process continues it will be seeking the abolition of the so-called 'transit service'. This is a fictitious service used purely as a revenue generator for LIME. Simply because a service is named as one and routing factors are applied to it does not make it a legitimate. Remarkably the costs of provision of this so-called service now stand at more than one third the cost of mobile termination. The clear 'make or buy' signal this presents is for Digicel (or other operators) is to install a fixed switch as an intermediary between its mobile network and harvest a generous return off a phantom 'transit-service'. It appears not to matter to LIME that there is no need to send this traffic through LIME's fixed switch. Merely by choosing to route traffic in this manner LIME is trying to earn a capital return on costs associated with both the fixed and mobile network. If the interconnect specific costs on a per minute basis are less than the 'transit service' costs (which is true by a considerable margin in the models provided) then an efficient operator simply would not offer a 'transit service' or certainly would not offer at charges above the interconnect specific unit costs.

If the Authority is still nonetheless reluctant to publish the full and unredacted models then, as a minimum, Digicel requests full disclosure at an "*in camera*" meeting as provided for in clause 5(2) (d) of the Information and Communications Technology Authority (Confidentiality) Regulations 2003. This review could be carried out by our external expert advisers (in conjunction with in house and external counsel).

Yours sincerely,
Digicel Cayman Ltd

Chris Hayman
Chief Executive Officer

cc: FTR and Transit proceeding distribution list