



June 21, 2004

**Via Email**

Mr. Rudy Ebanks  
Vice President, Regulatory and Carrier Relations  
Cable & Wireless (Cayman Islands) Ltd  
PO Box 293 GT  
Grand Cayman  
Cayman Islands

Re: **ICTA FLLRIC Public Consultation – CD (2004) 1**

Dear Mr. Ebanks:

Enclosed please find interrogatories numbered 1-25, directed to Cable & Wireless (Cayman Islands) Ltd. ("C&W"). These interrogatories are submitted in regard to the FLLRIC Public Consultation initiated by the ICTA, and in accordance with the revised schedule issued by the ICTA on June 11, 2004.

**Instructions and Definitions**

In connection with these interrogatories, please note the following instructions and definitions:

- A. Please submit the responses via email to the undersigned, with an email copy to Joseph S. Faber, Esq., no later than July 19, 2004.
- B. In the event any of the interrogatory responses from C&W are confidential, please provide them to Joseph S. Faber in accordance with the confidentiality agreement he has previously entered into with C&W.
- C. The terms "you" and "yours," unless another intention clearly appears, refers to Cable & Wireless (Cayman Islands) Ltd., and to any of your principals, agents, employees, attorneys, representatives, insurers and any persons acting or purporting to act on your behalf, and any persons in active concert and participation with you, whether past or present, without regard to whether or not the relationship exists or has been terminated.
- D. The term "C&W Proposal" refers to the document entitled "Cable & Wireless (Cayman Islands) Limited Follow-Up Proposal for Forward Looking Long-Run Incremental Cost Modeling Submitted to the ICTA 7<sup>th</sup> November 2003." This document was attached to the ICTA's initial Public Consultation document dated May 24, 2004.

- E. In answering these interrogatories, you are required to make full and complete answers. You must include in your answers all information that you know or that is available to you, including any and all information that you can obtain from (i) making inquiry of your principals, agents, employees, attorneys, representatives, assignors, other corporations directly under or in the penumbra of your parent corporation, any persons acting or purporting to act on your behalf, and any other persons in active concert and participation with you or with them, whether past or present and without regard to whether or not their relationship with you currently exists or has been terminated, and (ii) making examination of any and all documents or tangible things in your possession, custody, or control that in any way refer or relate to the information sought by these interrogatories.
- F. Each interrogatory is to be construed as asking for the source of any information provided in your answer thereto, including the identification of each person from whom you obtained any information provided in your answer and a description of any documents or tangible things relied upon by you in making your answer.
- G. You are required, if you object to any interrogatory on the grounds of privilege, work product, trade secret, or on any other grounds, to state for each such objection the precise nature of the objection made and a complete description of all facts, if any, upon which you or your counsel rely in making the objection.
- H. The term "document" is used in these interrogatories in its broadest sense and means any record of information of any kind or description, however made, produced, or reproduced, whether by hand or by any electronic, photographic, mechanical or other process. Documents can take the form of any medium on which information can be stored, including, without limitation, computer memory, motion pictures, photographs, film paper, phonograph records, tape recordings, videotapes, and video disks. The term "document" also includes all drafts, all originals, and all non-identical copies, whether different from the original by reason of any notation made on such copies or otherwise.
- I. The terms "identify," "identity," "describe," or "description":
- a. When used with respect to a natural person, shall mean the legal and any other name used by such person, his or her age, social security number, residential address, occupation, employer, business address, his or her job title and description of his or her duties, and name of the person's spouse.

- b. When used with respect to a partnership, shall mean (i) the legal name of the partnership, (ii) all trade or other names under which the partnership does business, (iii) the name and residential address of each general and each limited partner of the partnership, (iv) the name of the jurisdiction in which the partnership is registered and of each state in which it is qualified to do business, (v) the addresses of all places of business maintained by such partnership, (vi) the place at which the business records of the partnership are maintained, and (vii) the name and business address of the keeper of the records of the partnership.
- c. When used with respect to a corporation, shall mean (i) the legal name of the corporation, (ii) all trade or other names under which the corporation does business, (iii) the name and residential address of each officer and director of the corporation, (iv) the name and business address of each registered agent of the corporation, (v) the principal place of business of the corporation, (vi) the name of the jurisdiction in which it is incorporated, (vii) all states in which the corporation is legally qualified to conduct its business, (viii) the place at which the business records of the corporation are maintained, and (ix) the name and business address of the keeper of the records of the corporation.
- d. When used with respect to a document, shall mean (i) its customary name or description and identifying number, if any, (ii) the date of the document, (iii) the identity of each person or entity who prepared the document, (iv) the identity of each person or entity who received the document or any copy thereof, (v) the identity of each person or entity who has possession, custody, or control of the document or any copy thereof.
- e. When used with respect to a tangible thing, shall mean (i) its customary name or description and identifying number, if any, (ii) the date the tangible thing was made, produced, and, if you did not make or produce the tangible thing, the date you acquired it, (iii) the identity of each person or entity who made the tangible thing, (iv) the identity of each person or entity who has possession, custody, or control of the tangible thing or any copy thereof.
- f. When used with respect to a communication, written or oral, means, if written, to identify the document or document in which it is contained; if oral, to state the date and to give the substance of the communications, to state whether it was by telephone or in person, and to state the place where it occurred, or in the case of a telephone communication, the location of each party to the conversation. For any communication which you contend is privileged or otherwise not subject to discovery, identification also means to state the basis for such contention and the grounds upon which an attorney-client privilege is claimed to identify the

attorney and client, the bar of which the attorney is a member, to state whether the attorney is house counsel or outside counsel, to identify all persons present during the communication if oral, or who received a copy of the communication if written, and to identify all persons to whom the substance of the communication has been disclosed to at any time, in whole or in part.

## **INTERROGATORIES**

1. Please identify each person who participated in the drafting of the C&W Proposal.
2. Please identify each person who participated in the preparation of the responses to these interrogatories, and please identify as to which interrogatory or interrogatories each such person participated
3. Please identify the consulting firms and the primary consultants assigned by each such firm to work on the C&W proposal and/or the C&W FLLRIC project.
4. Please provide all correspondence and communications (including email) between C&W and each consulting firm identified in response to Interrogatory No. 3.
5. Please provide copies of all documents related to each such consulting firm's responses to any C&W requests and/or work performed on C&W's behalf.
6. Please provide copies of all documents (in electronic format where possible) that are cited in the text or the footnotes of the C&W Proposal.
7. Does C&W plan to adopt, in full or in part, a particular forward-looking cost model from another jurisdiction? If so, please indicate which model.
8. In Section 2.1 of the C&W Proposal, you identify the "underlying principles" that C&W believes should apply to development of a LRIC model. Please identify all principles that C&W considered for this section and chose not to include, and please state the basis for the decision not to include each such principle.
9. Please provide C&W financial depreciation schedules for all equipment and assets (or groups of equipment and assets) that will be involved in or included in C&W's FLLRIC analysis.
10. Does C&W have any formal guidelines for accounting techniques used in "bringing forward historic costs" (as discussed in Section 3.3 of the C&W

Proposal)? If yes, please provide all documentation related to those guidelines.

11. Please describe any indexation techniques C&W plans to use in its efforts to compute replacement cost of capital assets.
12. Please provide any “engineering or statistical studies” (as discussed in Section 3.5 of the C&W Proposal)” undertaken, past or present, to estimate the cost volume relationship.
13. Will C&W perform the “engineering or statistical studies” required to compute the cost-volume relationship, or will that work be outsourced to a consulting firm? If so, to whom will the work be outsourced? Please provide copies of all correspondence related to such outsourcing.
14. What internal human resources are available to C&W to perform the “engineering or statistical studies” required to compute the cost-volume relationship? Please describe the qualifications of each such person.
15. What internal or external C&W data will be used in performing the “engineering or statistical studies” required to compute the cost-volume relationship? If this data is available, please provide it in electronic format (either as a spreadsheet or database).
16. What specific statistical techniques does C&W plan to use in performing the “engineering or statistical studies” required to compute the cost-volume relationship?
17. Please describe the nature of the “forward-looking efficiency adjustments” described in Section 3.12 of the C&W proposal.
18. Please provide documentation for any engineering rules that C&W plans to use for the FLRRIC analysis.
19. What adjustments does C&W propose to make in order to account for inflationary/deflationary pricing trends for capital equipment and labor?
20. With respect to the weighted average cost of capital (“WACC”) of 13.5% referenced in Section 3.52 of the C&W proposal, please provide the following:
  - a) Any comparative analysis performed by C&W regarding the WACC for other telecommunications companies;
  - b) Any data gathered by C&W on the WACC for other telecommunications companies;

- c) A listing of all telecommunications companies of which C&W is aware that have a WACC equal to or higher than 13.5%; and
  - d) Any further analysis performed by C&W, since the 2003 determination referenced in Section 3.52, regarding its WACC.
21. Please provide a listing of “relatively short” lived assets for which C&W plans not to adjust capital prices, as referenced in Section 4.43 of the C&W Proposal.
  22. Please describe in detail the “measures” that “may be necessary to adjust for demonstrable inefficiency,” as stated in Section 5.6 of the C&W Proposal.
  23. Please define what constitutes a “demonstrable inefficiency,” as stated in Section 5.6 of the C&W Proposal.”
  24. With what firms does C&W intend to compare its efficiency ratios (as stated in Section 5.9 of the C&W Proposal) in an effort to detect “demonstrable inefficiencies?”
  25. Please provide copies of all interrogatories submitted to C&W in this proceeding by any party or entity other than WVCIL, and please provide copies of C&W’s responses to such interrogatories.

Thank you for your company’s responses to these interrogatories.

Sincerely,

Raul Nicholson-Coe  
Wireless Ventures (Cayman Islands) Ltd.

Cc: Philip Brazeau, ICTA  
Joseph S. Faber, Esq.