



UTILITY REGULATION AND COMPETITION OFFICE

LICENCE TO

CABLE AND WIRELESS CAYMAN ISLANDS LIMITED "FLOW"

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LICENCE ISSUED TO

CABLE AND WIRELESS CAYMAN ISLANDS LIMITED “FLOW”

under Part III of

**THE INFORMATION AND COMMUNICATIONS
TECHNOLOGY ACT (2019 REVISION)**

The Utility Regulation and Competition Office, in exercise of the powers conferred on it by Section 23 of the Information and Communications Technology Act (2019 Revision), grants to **Cable and Wireless Cayman Islands Limited “Flow”** a Licence (Renewal) to establish, operate and maintain the Information and Communications Technology Networks and/or provide Information and Communications Technology Services as provided for in this Licence, SUBJECT TO the Conditions, all decisions, orders, regulations, resolutions and rules made by the Utility Regulation and Competition Offices, all applicable Acts and regulations of the Cayman Islands and applicable tariffs.

GRANTED BY THE Utility Regulation and Competition Office, the Cayman Islands, on this 1st day of April 2021.

**Executive Director - Information
Utility Regulation and Competition Office**

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PART I: THE LICENCE

1 DEFINITIONS AND INTERPRETATION

- 1.1 A word or expression used in the Licence and the Conditions and also used in the ICT Act and URC Act has the meaning ascribed to that word or expression by the ICT Act and URC Act. In addition, the following expressions shall have the following meanings given to them.

“9-1-1 Service” means a call to the Public Safety Communications Centre using the emergency call number “9-1-1”;

“Affiliate” in relation to the Licensee, means any holding company of the Licensee, any subsidiary of the Licensee or any subsidiary of any holding company of the Licensee;

“Annex” means one or more attachments to this Licence, all of which constitute a part of and are unique to this Licence;

“Authorised Frequencies and Transmitters” means those frequency bands of the spectrum and transmitters set forth in **ANNEX 4**;

“Compliance Plan” means a plan submitted to the Office in accordance with **Condition 8** and containing the information noted therein;

“Conditions” means all the paragraphs of this Licence, including any and all Annexes, as may be amended, revoked or added to in accordance with the Licence;

“Confidentiality Regulations” means the *Information and Communications Technology Authority (Confidentiality) Regulations, 2003*;

“Consent” means as defined by the *Data Protection Act, 2017* or its equivalent;

“Control” means any direct or indirect possession of any power or right that enables a person or group of persons to direct, or cause the general direction of, the management or policies of the Licensee by any means and in any event;

“Data Protection Acts” means the Data Protection Act, 2017 of its equivalent;

“Development Plan” means a plan submitted to the Office in accordance with **Condition 8** and containing the information noted therein;

“Dispute Resolution Regulations” means the *Information and Communications Technology Authority (Dispute Resolution) Regulations, 2003*;

“Facility” or **“Facilities”** means any component of an ICT Network;

“Force Majeure” means any cause affecting the performance by the Licensee of its obligations arising from acts, events, omissions, occurrences or non-occurrences beyond its reasonable control, including (but without limiting the generality thereof) governmental regulations, fire, flood or any disaster or an industrial dispute affecting a third party for which a substitute third party is not reasonably available;

“ICT Critical National Infrastructure” means the infrastructure and related systems and services used in connection with the operation of the Licensee's ICT Network which includes towers, masts, switching equipment (including signalling transfer points) and customer database systems (including those used for local number portability, billing and provisioning purposes) necessary to provide the 9-1-1 Service;

“ICT Act” means the *Information and Communications Technology Act (2019 Revision)* and any amendments or revisions thereto;

“Internet Exchange Point” (“IXP”) shall mean the physical infrastructure in the Cayman Islands through which, Internet Service Providers and other

entities (such as content delivery networks, content providers, enterprises and others as defined by the Office) connect their networks and exchange internet traffic but does not include private exchange through direct bilateral arrangements or communication between autonomous systems.

“Local IP traffic” shall mean Internet traffic which originates in the Cayman Islands on a network operated by an ISP and terminates in the Cayman Islands on a network operated by another ISP, irrespective of whether the networks in question are, fixed wireline, fixed wireless or mobile networks.

“Licence” means this licence authorising and requiring the Licensee specified herein to establish, operate and maintain the specified Licensed ICT Networks and/or provide the specified Licensed ICT Services, subject to the Conditions;

“Licence Commencement Date” means the date specified in **Condition 13**;

“Licence Fee” means the fee or fees prescribed by the Office under the provisions of *section 30 of the ICT Act* and payable to the Office by the Licensee;

“Licensed ICT Network” means an ICT Network or Facilities specified by the Office in a Notice published in the Gazette in accordance with *section 23(2) of the ICT Act* as requiring a Licence;

“Licensed ICT Service” means an ICT Service specified by the Office in a Notice published in the Gazette in accordance with *section 23(2) of the ICT Act* as requiring a Licence;

“Licensee” means Cable and Wireless Cayman Islands Limited “Flow”

“Office” means the Utility Regulation and Competition Office;

“Other Licensee” means any person, other than the Licensee, who has the benefit of a Licence granted under *Part III of the ICT Act*;

"Public Safety Communications Centre" means a 24-hour communications facility able to receive all calls directly from the public established by the Department of Public Safety Communications (or its equivalent) as an answering location for 9-1-1 calls originating within the Cayman Islands;

"Term" means, pursuant to *section 28(a) of the ICT Act*, the period of time during which this Licence is valid as specified in **ANNEX 1**;

"Terms of Service" means the terms and conditions pursuant to which the Licensee shall make all services available to a User;

"Universal Service" means any of the categories of service specified by regulation made under *section 61 of the ICT Act*, when promulgated, and as further defined in **ANNEX 3A**;

"Universal Service Fund" means the fund which may be established by the Office to compensate Licensees for carrying out the Universal Service Obligations;

"Universal Service Obligations" means the obligation to provide universal service as set out in Part II of this Licence and as set forth in **ANNEX 3A**;

"URC Act" means *The Utility Regulation and Competition Act (2021)*, or its equivalent; and,

"User" means a legal or natural person who uses (which includes listening to content), or may use the networks or services of the Licensee, but is not necessarily a subscriber.

1.2 In the Licence, unless the context indicates a contrary intention:

(a) references to paragraphs and subparagraphs are to paragraphs and subparagraphs of the Conditions, as varied from time to time;

- (b) a document will be incorporated into and form part of the Conditions if it is referred to in the Conditions and reference to such a document is to that document as varied from time to time;
- (c) headings used for Conditions, paragraphs and subparagraphs are for ease of reference only and will not affect the interpretation of the Conditions;
- (d) references to any Act, rule, regulation or other legal instrument includes any modification, re-enactment or legislative provisions substituted for the same;
- (e) use of the word "*includes*" or "*including*" should be construed as being without limitation;
- (f) the masculine gender shall include the feminine and neuter, and the singular shall include the plural, and vice versa, and words importing persons shall include firms or companies; and,
- (g) except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in the Licence and otherwise any word or expression shall have the same meaning as it has in the *ICT Act* and *URC Act*, where applicable.

2 SCOPE OF THE LICENCE

- 2.1 In accordance with *section 23 of the ICT Act*, this Licence authorises and requires the Licensee to establish, operate and maintain the Licensed ICT Networks and/or provide the Licensed ICT Services specified in **ANNEX 1** for the Term specified in **ANNEX 1 SUBJECT TO** the Licensee complying with the Conditions of this Licence and all administrative determinations, decisions, determinations, directions, orders, regulations, resolutions and rules made by the Office, and all applicable Acts and regulations of the Cayman Islands. The requirement for the Licensee to establish, operate and maintain the Licensed ICT Networks and/or provide the ICT Services means, at a minimum, that the Licensee will, unless otherwise agreed to by the Office, meet the roll out plan specified in **ANNEX 1A**.

- 2.2 In accordance with *section 23 of the ICT Act*, this Licence authorises the use by the Licensee of the Authorised Frequencies and Transmitters listed in **ANNEX 4** for the Term listed in **ANNEX 1**. Unless otherwise authorised in writing by the Office, the Licensee shall only use the Authorised Frequencies and Transmitters in the location and with the equipment and configuration specified in **ANNEX 4**. In accordance with **ANNEX 2**, the Licensee shall pay an annual fee to the Office for the use of the Authorised Frequencies. The Office retains ownership of the radio frequency spectrum set forth in **ANNEX 4**, and the Licensee agrees that it will abide by any and all radio frequency spectrum reallocation or diminution as required by the Office.
- 2.3 All ICT Services and all ICT Networks subject to licensure under the ICT Act and operated by the Licensee are subject to regulation by the Office. Nothing in this Licence shall be taken to mean or imply any derogation of, or limitation on, the exercise by the Office of all its duties, functions and responsibilities contained in the ICT Act.
- 2.4 The Licensee shall comply with any other requirement in act or practice to obtain any additional consents, permissions, authorisations or licences as may be necessary for the provision of the Licensed ICT Network or Licensed ICT Services and for the exercise of its rights or discharge of its obligations under this Licence and the ICT Act.
- 2.5 The Licensee shall:
- (a) maintain sufficient information systems, located in the Cayman Islands, as are reasonably necessary to enable the Licensee to respond in a timely and accurate manner to the information requirements of the Office, including without limitation information relevant to business conducted between the Licensee and its Affiliates; and,
 - (b) maintain within the Cayman Islands appropriate management systems and management (including an officer of the Licensee) accountable for meeting its obligations under this Licence, such management being properly authorised to so act on behalf and bind the Licensee.

- 2.6 All representations made by the Licensee however arising, including any undertakings given by the Licensee, in the application for an ICT Licence constitute fundamental terms of the Licences granted. Any material deviation from these representations, including the undertakings given by the Licensee, is a fundamental breach of the Licence pursuant to *section 33 (1) (a) of the ICT Act* (or its equivalent) the consequence of which may be the revocation of the Licence.

3 LICENCE FEE

- 3.1 The Licence Fees payable by the Licensee for the establishment, operation and management of the Licensed ICT Networks and/or provision of the Licensed ICT Services specified in this Licence under the provisions of *section 30 of the ICT Act* are as specified in **Annex 2**.
- 3.2 The Licence Fees for each class of Licensee shall be non-discriminatory.
- 3.3 The Licence Fees referred to in **Condition 3.1** shall be payable directly by the Licensee to the Office on or before the payment dates specified in **Annex 2**, and in the case of those due at commencement of the licence, if any, the fees shall be paid prior to commencement of operations by the Licensee of the Licensed ICT Networks and/or provision of the Licensed ICT Services specified in this Licence, and thereafter for the Term(s).
- 3.4 The Office may delegate the collection of any or all Licence Fees due in accordance with the provision of **Condition 3.1** to an administrative unit of the Cayman Islands Government, and the Licensee shall pay to such unit any and all fees owed on the same date as the fees are due to the Office.
- 3.5 Without prejudice to any other remedies of the Office under this Licence or the Acts of the Cayman Islands, if the Licensee fails to pay any amount due to the Office or delegated administrative unit of the Cayman Islands Government under this **Condition 3** by the due date, the unpaid amount will accrue interest daily from the due date to the date of payment at three percentage points above the published Cayman Islands Dollar Prime Rate published from time to time by the Office's bankers, the Bank of Butterfield International (Cayman) Limited.

4 PROVISION OF INFORMATION

- 4.1 Any and all aspects of the Licensee's business shall be subject to examination, investigation and audit by the Office.
- 4.2 The Licensee shall provide to the Office in the manner and at the times required by the Office, on reasonable notice, any documents, accounts, returns, estimates, reports or other information so required, including but not limited to the documents, accounts, returns, estimates, reports and other information specified in this Licence including where such documents, accounts, returns, estimates, reports and other information are in the control of Affiliates.
- 4.3 Where the Licensee operates an ICT Network which makes use of a portion of the free space electromagnetic spectrum between 3 KHz and 300 GHz, the Licensee shall, by the first business day of July of every year, provide the Office with a comprehensive report on its anticipated use of the radio frequency spectrum (including spectrum in use) for the following year and shall update the report as requested by the Office from time to time.
- 4.4 The Office may conduct, from time to time, or may delegate to a suitably qualified person as the Office may decide, an examination, investigation or audit of any aspect of the Licensee's business or of its relationship with any Affiliate of the Licensee and of its compliance with the Conditions and the ICT Act and any other applicable Acts and regulations of the Cayman Islands.
- 4.5 The Office shall notify the Licensee of the objectives and scope of any examination, investigation or audit carried out under **Condition 4.4** in advance of the commencement of such examination, investigation or audit, except where the Office has reasonable grounds for believing the Licensee is or has been acting fraudulently or contrary to any Act.
- 4.6 The scope of any examination, investigation or audit carried out under **Condition 4.4** shall be no wider than is necessary to fulfil the objectives of the said examination, investigation or audit.

- 4.7 Any audit ordered under **Condition 4.4** shall be limited to any activities or information relating to the Licensee's information no earlier than **three (3) years prior to the date** the audit is commenced under **Condition 4.4**.
- 4.8 The Licensee shall provide any and all assistance requested by the Office in relation to any such examination, investigation or audit; such request to be made on reasonable notice **EXCEPT** where the Office has reasonable grounds for believing the Licensee is or has been acting fraudulently or contrary to Acts of the Cayman Islands.
- 4.9 The Office may give the Licensee a notice with regard to the manner in which such examination, investigation or audit is to be carried out and with which the Licensee shall fully comply.
- 4.10 Where the Office conducts or delegates an examination, investigation or audit in accordance with **Condition 4.4**, the Licensee shall allow the authorised representative of the Office, or of its delegate as the case may be –
- (a) to attend at, enter and inspect any premises which are under the control of the Licensee or of any of its Affiliates;
 - (b) to take copies of any documents;
 - (c) to acquire any information in the control of the Licensee or any of its Affiliates as may be required in order to carry out the examination, investigation or audit; and,
 - (d) require that any information be formatted and conveyed in any manner deemed appropriate.
- 4.11 The Office or such other person who has been delegated by the Office to conduct an examination, investigation or audit under **Condition 4.4** as the case may be and the Licensee shall each bear its own costs incurred in connection with the examination, investigation or audit, provided that, in the event the examination, investigation or audit reveals a material breach of

the Licence, the URC Act, the ICT Act or of any applicable regulations, the Licensee shall bear all reasonable costs associated with any reporting, examination, investigation or audit.

5 COMPLIANCE

5.1 In addition to complying with the Conditions of this Licence, the Licensee shall comply with:

- (a) any obligation imposed on it by any act, regulation or rule of the Cayman Islands that is applicable;
- (b) any administrative determination, decision, determination, direction, order, regulation, resolution or rule duly issued by the Office under the ICT Act, the Licence, or any Act, regulation or rule of the Cayman Islands that is applicable;
- (c) the Plans submitted pursuant to **Condition 8**; and
- (d) applicable tariffs, if any.

5.2 The Licensee shall inform the Office as soon as it becomes aware of any action proposed to be undertaken by a person or group of persons which would, or could reasonably be expected to, cause the Licensee to breach any of its obligations under the ICT Act and URC Act (including ICT regulations and the like) or its Licence.

5.3 The Licensee shall, at all times, act in a manner best calculated to ensure that it has, or has access to, adequate:

- a. financial resources; and
- b. management resources and systems of internal control,

to enable it to establish, operate and maintain the ICT Networks and provide the ICT Services, as provided for under the Licence.

The Licensee shall ensure that its access to resources and systems referred to above is not dependent upon the discharge by any other person of any obligation under, or arising from, any agreement or arrangement under which that other person has agreed to provide any services to the Licensee.

6 EXCEPTIONS TO AND LIMITATIONS ON THE LICENSEE'S OBLIGATIONS

6.1 If the Licensee is prevented from performing any of its obligations under this Licence because of *force majeure* -

- (a) the Licensee shall notify the Office as soon as practicable of the obligation(s) which it is prevented from performing, and the reason why; and
- (b) the Office may suspend those obligations and the Licensee will not be liable to perform those obligations, for so long as the *force majeure* continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this Licence or other reasonable precautions and the inability cannot reasonably be circumvented by the Licensee at its expense through the use of alternate sources, work-around plans or other means.

7 DURATION AND RENEWAL

7.1 This Licence commences on the Licence Commencement Date and continues, subject to the Licensee's compliance with the Conditions and the acts of the Cayman Islands, administrative determinations, directions issued by the Office and applicable tariffs, if any, and subject to any revocation or suspension by the Office, for the Term.

- 7.2 Pursuant to *section 29 of the ICT Act*, the Licensee may serve notice on the Office within one hundred and eighty (180) calendar days of the end of the Licence Term, requesting a renewal of this Licence.
- 7.3 Within the one hundred and eighty (180) calendar days provided for in **Condition 7.2**, or such further period as may be agreed with the Licensee, the Office shall notify the Licensee whether it agrees to a renewal of the Licence subject to the same Conditions or any modified, amended or additional Conditions, and subject to the Licensee providing all necessary information to the Office to enable it to make the notification within the required time.

PART II GENERAL PROVISIONS

8 DEVELOPMENT OF LICENSED ICT NETWORKS AND LICENSED ICT SERVICES

- 8.1 The Licensee shall comply at all times with relevant standards and/or specifications established by the Office to establish, operate and manage the Licensed ICT Networks (including ICT Network equipment) and/or provide the Licensed ICT Services **OTHERWISE** the Licensee shall establish, operate and maintain the Licensed ICT Networks and/or provide the Licensed ICT Services according to standards of performance in line with international best practices.
- 8.2 The Licensee shall submit to the Office a Development Plan and a Compliance Plan, together known as “**the Plans**”. Any and all matters to be included in the Plans may be added to, deleted or substituted by the Office at any time during the Term of this Licence. The Plans may be submitted in confidence in accordance with the Confidentiality Regulations.
- 8.3 The Development Plan shall describe the following:
- a) planned nature and extent of Caymanian participation as set out in **Annex 1B**;
 - b) contact details of key management responsible for and authorised to respond to the Office in such areas as network operations and maintenance, legal, regulatory and corporate affairs;
 - c) the target levels of quality of service performance which the Licensee will achieve with the Licensed ICT Networks and Licensed ICT Services, the estimated timeframe within which those targets will be achieved and how the achievement of those target levels of performance will be monitored;
 - d) anticipated introduction of new Facilities and new ICT services, including geographic coverage, and the Licensee’s intended 3-year planning

cycles for the operation of its networks and provision of its services (including its business process maps);

- e) the manner in which financial data will be captured, and reported and verified for purposes of the Licence Fee, including providing the Office with audited financial statements within a time frame that is no later than three (3) months from financial year end;
- f) the Licensee's internal rules and procedures for the treatment of User, Subscriber confidential information; and
- g) such other matters as required by the Office from time to time.

8.4 The Compliance Plan shall describe the manner in which the Licensee has complied with the terms of its Licence and shall also address:

- (a) the extent to which it has met, exceeded or failed to meet the various categories in the Development Plan;
- (b) whether it has provided and continues to provide all financial data pertinent to the amount of Licence Fees to be paid;
- (c) interconnection and infrastructure arrangements and disputes;
- (d) significant differences between target levels of performance and performance levels achieved over a sustained period of time, and major service interruptions and reasons therefore;
- (e) broad categories of User complaints, the manner resolved and the time frames involved;
- (f) confidentiality of information and the extent to which it has been safeguarded; and
- (g) such other matters as required by the Office from time to time.

- 8.5 The Office may direct the Licensee to update and resubmit the Plans from time to time.
- 8.6 The Office may direct the Licensee as to matters to be included in the Plans and may amend or replace such direction from time to time.
- 8.7 The Office may include as a Condition of this Licence the targets specified by the Licensee in the Plans and the Licensee shall be deemed to be in breach of its Licence if such target levels are repeatedly not achieved.
- 8.8 Within **fifteen days** of the end of each **six-month period** during the Term, the Licensee shall, unless otherwise approved or directed by the Office, provide the Office with the Plans whereby the Development Plan will address the subsequent **six months** and the Compliance Plan will address the preceding **six months**.
- 8.9 The Licensee shall comply with any administrative determinations, directions issued by the Office from time to time regarding any quality of service indicators, measurement methods and compliance requirements, as may be reasonably required, for the Licensed ICT Networks and Licensed ICT Services.
- 8.10 The Licensee shall on request by the Office, and in the timeframe so requested, supply the results of its measurements of actual performance against any quality of service indicators and measurements which the Office may publish or require publication of such information as it considers appropriate.

9 **LICENSEE'S OBLIGATIONS TO USERS**

- 9.1 The Licensee shall, in accordance with the ICT Act, take such steps as are reasonably necessary to ensure that, in relation to its Licensed ICT Networks and/or Licensed ICT Services as applicable, Users can reasonably and reliably have access to information services to assist them with queries relating to the Licensee's ICT Services.

- 9.2 The Licensee shall use its best endeavours to meet the quality of service commitments set out in the Development Plan. A Repeated failure to meet such quality of service obligations shall be regarded as a breach of this Licence.
- 9.3 The Licensee shall comply with the requirements set out at **Annexes 5 and 6**, and prior to the provisioning of ICT Services to Users, develop, implement and publish procedures for responding to complaints from and disputes with Users related to the quality of any Licensed ICT Services and to statements of charges and prices, and unless otherwise provided for in the Licence, the Licensee shall respond quickly and adequately to any complaints but, in no event, **later than one (1) month** after the filing of such complaint with the Licensee.
- 9.4 The Licensee, and its Terms of Service, shall be subject to the Office's Dispute Resolution Regulations, or such other regulations, rules or conditions as the Office may prescribe, for resolving such complaints from and disputes with Users.
- 9.5 Prior to the provisioning of ICT Services to Users, the Licensee shall develop Terms of Service for the provisioning of Licensed ICT Services to Users which comply with the obligations set out in this Licence as applicable.
- 9.6 The Office may issue administrative determinations, directives, rules or regulations which shall replace or amend **Annex 5** and/or **Annex 6** in whole or in part. The Licensee shall comply with every such directive, rule or regulation.
- 9.7 The Licensee shall provide all Subscribers of Licensed ICT Services with the terms and conditions of the applicable subscriber contracts in the manner specified by the Office, if any, and shall thereafter provide Licensed ICT Services based upon the applicable contract.
- 9.8 Subscriber contracts shall be compliant with the ICT Act and any other applicable acts, administrative determinations, directives and regulations of the Office. In the event that the Office determines that subscriber contracts

do not comply with the ICT Act and any other applicable acts, the Office shall instruct the Licensee to make appropriate amendments which the Licensee shall comply with.

10 PRIVACY AND CONFIDENTIALITY

10.1 The Licensee shall maintain the confidentiality of, and refrain from using or disclosing, unless consent has been given to such use or disclosure by the person entitled to the confidentiality of that information:

- (a) any confidential, personal and proprietary information obtained in the course of its business from any Subscriber, where such information originates from any such Subscriber;
- (b) any information regarding usage of a Licensed ICT Network or a Licensed ICT Service; or
- (c) any information received or obtained as a result of or in connection with the operation of a Licensed ICT Network or the provision of a Licensed ICT Service.

10.2 Notwithstanding **Condition 10.1**, the Licensee is permitted to use such information to operate its Licensed ICT Networks or Licensed ICT Services, bill and collect charges, protect its rights or property or prevent the fraudulent use of the Licensed ICT Networks or the Licensed ICT Services.

10.3 The Licensee shall establish and implement procedures according to standards of performance in line with local acts and International best practices for maintaining the confidentiality of information subject to this **Condition 10**.

11 OTHER LICENSEE CONFIDENTIAL INFORMATION

11.1 In the event the Licensee receives information from an Other Licensee for the purposes of interconnection, infrastructure sharing or the provision of

ICT Services generally, where such information received is of a competitive nature, such as customer orders, market forecasts, plans for the development of new services, network plans, new customers and current or proposed business plans, the Licensee shall treat such information in confidence and shall share it only amongst those employees who have a need to know for provisioning services to the Other Licensee disclosing such information and shall not provide such information to personnel involved in the provision of ICT services offered in competition, and shall use such information solely for the purpose for which such information is received.

- 11.2 The Office may establish rules and procedures it deems necessary to prevent the misuse of licensee confidential information.

12 ASSIGNMENT

- 12.1 The Licensee may not assign, convey or transfer this Licence, in whole or in part, without the prior written consent of the Office.
- 12.2 Condition 12.1 shall not apply where the assignment, conveyance or transfer results from an internal reorganization of a body corporate that involves no change in the beneficial ownership thereof. The Licensee shall give prior notification to the Office of the nature and extent of such assignment, conveyance or transfer.

13 LICENCE COMMENCEMENT DATE

- 13.1 This Licence shall take effect on the date granted by the Office.

14 AMENDMENTS

- 14.1 Subject to *section 31 of the ICT Act*, no amendments or additions to this Licence shall be valid unless in writing and signed on by the Office.

15 COMPLIANCE WITH ACTS

- 15.1 The Licensee shall comply at all times with applicable acts and regulations of the Cayman Islands.
- 15.2 The Licensee, in accordance with *section 23(4) of the ICT Act*, may be exempt from complying with the *Local Companies (Control) Act (2019 Revision)*, as amended from time to time. Nonetheless, the Licensee shall comply with the level and degree of Caymanian participation stipulated in **Annex 1B**.

PART III: SERVICE OBLIGATIONS

16 UNIVERSAL SERVICE

- 16.1 Pursuant to in particular *sections 59 to 64 of the ICT Act*, in the event the Office imposes specific conditions on the Licensee, the Licensee shall comply with such conditions as so set out (and reflected in **Annex 3A**).
- 16.2 In particular, where obliged pursuant to *section 64 of the ICT Act*, the Licensee shall contribute to the Universal Service Fund (such obligation to be reflected in **Annex 3A**).

17 SIGNIFICANT MARKET POWER

- 17.1 Where the Office imposes specific conditions on sectoral providers determined to have significant market power in the relevant markets, pursuant to in particular *sections 44 to 45 of the URC Act*, the Licensee shall provide ICT Services and/or ICT Networks in those relevant markets on such terms and conditions as so set out (and reflected in **Annex 3B**).

18 9-1-1 SERVICE

TO APPLY TO A LICENSEE LICENSED TO PROVIDE TYPE 1, TYPE 3, TYPE 4 AND/OR TYPE 5 ICT SERVICES, OR THEIR EQUIVALENT (SUCH SERVICES OR THEIR EQUIVALENT AS SPECIFIED FROM TIME TO TIME BY THE OFFICE IN ACCORDANCE WITH A NOTICE ISSUED PURSUANT TO SECTION 23 (2) ICT ACT OR ITS EQUIVALENT)

Information to Administer 9-1-1 Service

- 18.1 The Licensee shall provide, at no cost, to the Public Safety Communications Centre ('**PSCC**') all information required to administer the 9-1-1 Service in the Cayman Islands, including cell location, in the form and format and at the time intervals required by the PSCC for an effective 9-1-1 Service, as amended from time to time by the PSCC. Additionally, and at a minimum, the Licensee shall comply with the National Emergency Number

Association Recommended Technical Standard "02-010 Standards for Recommended Formats and Protocols for Data Exchange."

Emergency Call Access

- 18.2 The Licensee shall ensure that any person in the Cayman Islands can access the PSCC at all times by using the emergency call number "9-1-1" and at no charge to that person regardless of whether or not that person has credit on their call account.

Proper and Effective Functioning of the Network

- 18.3 The Licensee shall take all necessary measures to ensure the proper and effective functioning of its ICT Network(s), including the provision of uninterrupted access to the 9-1-1 Service as part of any Type 1, Type 2, Type 3 and/or any other Service a Licensee provides, or equivalent ICT Services, such measures to include:

- (a) a direct network connection to the PSCC;
- (b) a direct network connection to each of the other Licensees;
- (c) all network components required for a person to complete a call to the 9-1-1 Service to be physically located within the Cayman Islands, including all related ICT Critical National Infrastructure assets, services and systems; and
- (d) the 9-1-1 Service call signal and communication to remain on ICT Network(s) located within the Cayman Islands.

Requirement to monitor the functioning of the 9-1-1 Service and to notify the Office of any outage affecting the ICT Critical National Infrastructure

- 18.4 The Licensee shall:

- (a) monitor on a continuous basis the availability of a person's access to the PSCC using the emergency call number "9-1-1";
- (b) notify the PSCC in the format set out in the **ANNEX** to this Licence Condition as soon as it is aware that there could be or has been a call failure such that a person is not guaranteed access to the PSCC by using the emergency call number "9-1-1"; and,
- (c) notify the Office within one hour where it is aware that there has been a call failure such that a person is not guaranteed access to the PSCC by using the emergency call number "9-1-1", such a notification to be published on the Office's website.

ANNEX: Incident Reporting Template

1	Telecoms Licensee Name:	
2	Telecoms Licensee incident reference number:	
3	Date and time of Network/Service failure:	
4	Data and time of resolution:	
5	Location of incident:	
6	Brief description of Network/Service failure:	

7	<p>Impact of Network/Service failure:</p> <p>i) Services affected;</p> <p>ii) Number/proportion of users affected; and,</p> <p>iii) Networks and assets affected.</p>	
8	<p>Summary of Network/Service failure cause and action taken so far:</p>	
9	<p>Third party details:</p>	
10	<p>Name and contact details for follow up:</p>	

19. FACILITATION OF INTERCEPTION

TO APPLY TO A LICENSEE LICENSED TO PROVIDE TYPE 1, TYPE 3, TYPE 4, TYPE 5 AND TYPE 16 ICT SERVICES, OR THEIR EQUIVALENT (SUCH SERVICES OR THEIR EQUIVALENT AS SPECIFIED FROM TIME TO TIME BY THE OFFICE IN ACCORDANCE WITH A NOTICE ISSUED PURSUANT TO SECTION 23 (2) ICT ACT OR ITS EQUIVALENT)

- 19.1 The Licensee shall install and maintain at its own cost the ICT Network equipment and software necessary to enable it to provide at least the Information and the interception of messages on its ICT Network as required to be provided by the Licensee under the ICT Act (including any Regulations made under that Act). The ICT Network equipment and software installed to enable the provision of such Information and the interception of messages as referenced above must meet with applicable ETSI standards.
- 19.2 Upon notice that a warrant has been issued by the Governor authorising any person employed by the Law Enforcement Agency to intercept a message as provided for under the Interception Regulations (or its equivalent), the Licensee shall ensure that the Law Enforcement Agency is able to commence interception as provided for in that warrant, free of charge:
- a. as soon as is reasonably practicable but no later than four (4) hours following the communication of that notice; or,
 - b. where the information request is headed PRIORITY, (being investigations into matters affecting the immediate safety of a person, the immediate prevention or detection of a serious crime or an immediate threat to national security), as soon as is reasonably practicable but no later than thirty minutes following the communication of that notice.
- 19.3 The Licensee shall provide to the Law Enforcement Agency, free of charge and in an encrypted and useable format, the information requested in accordance with a request for information made under *section 77 of the ICT*

Act (or its equivalent), or in accordance with other lawful authority as the case may be, within the timeframes stated below:

- a. where the information request is headed ROUTINE (being investigations into reports of criminal activity which do not require information for immediate evidential presentation), the information is to be provided within ten (10) working days from the date of the request;
- b. where the information request is headed URGENT, (being investigations into matters which require information for immediate evidential presentation), the information is to be provided within two (2) working days from the date of the request; or,
- c. where the information request is headed PRIORITY, (being investigations into matters affecting the immediate safety of a person, the immediate prevention or detection of a serious crime or an immediate threat to national security), the information is to be provided in real time or as close to real time as is practicable.

19.4 The Licensee shall ensure that there are at least two designated persons in the Cayman Islands, one being the primary contact and the other being the secondary contact, whose responsibility it is to provide the Law Enforcement Agency with information requested in accordance with a request for information made under the ICT Act or URC Act, or in accordance with other lawful authority, and the assistance necessary to comply with a warrant issued by the Governor under the Interception Regulations.

19.5 The Licensee shall provide the details of the persons so designated under **Condition 19.4** above to the Law Enforcement Agency, and the appointment of such designated persons is subject to satisfactory security clearances by the Law Enforcement Agency.

19.6 For the purposes of this Condition, the following definitions shall apply:

"**ETSI**" means the European Telecommunications Standards Institute;

"Information" means at least:

- a) the Terminal Equipment being used by a Subscriber of the Licensee's ICT Services (including the manufacturer, model name or number, type and an identifying serial number or a media access control ('**MAC**') address);
- b) whether the Terminal Equipment used is, or has been, active on the Licensee's ICT Network;
- c) the Subscriber details associated with the Terminal Equipment being used on the Licensee's ICT Network (including the relevant telephone number, account identifier, IP address and email address);
- d) the date, time and duration of any voice call by the said Subscriber, including where additional persons may have joined or left that voice call;
- e) the location of the Terminal Equipment in use; and,
- f) the last registered location of the Terminal Equipment which was active on the Licensee's ICT Network;

"Interception Regulations" means *The Information and Communications Technology Authority (Interception of Telecommunication Messages) Regulations, 2018* (as amended) or its equivalent;

"Law Enforcement Agency" means the Royal Cayman Islands Police Service;

"Terminal Equipment" means a product enabling communication or a relevant component thereof which is intended to be connected directly or indirectly by any means whatsoever to interfaces of public ICT Networks; and,

"Useable Format" means a format whereby the information provided is in a format readable by the Law Enforcement Agency.

20 INTERCONNECTION AND INFRASTRUCTURE

20.1 Unless otherwise provided for by the Office, interconnection charges shall be cost oriented and reciprocal such that the Licensee and all interconnecting Other Licensees shall charge each other the same rate for the same service.

20.2 A Licensee shall not deny another Licensee access to its infrastructure or infrastructure arrangements, except:

(a) where there is insufficient capacity taking into account reasonably anticipated requirements;

(b) there are reasons of safety or security; or

(c) there are technical or engineering matters which could make such access difficult or impossible.

20.3 In the event of a dispute between Licensees relating to interconnection or infrastructure sharing the Licensee shall submit such dispute to the Office pursuant to the Dispute Resolution Regulations and will abide by the decision of the Office.

21 NUMBER ALLOCATION

21.1 The Licensee shall establish, operate and manage its Licensed ICT Networks and provide its Licensed ICT Services in accordance with a numbering plan established pursuant to *Section 71 of the ICT Act*.

21.2 Subject to Section 71 of the ICT Act, the Licence shall provide number portability in accordance with any rules or other requirements specified by the Office.

21.3 The Office shall issue to the Licensee the numbers required to offer Licensed ICT Services. The Licensee shall have no proprietary or ownership rights to numbers.

22 PEERING

22.1 The Licensee shall work with all other Type 9 Internet Service Provider (“ISP”) licensees to establish and maintain peering for Local IP Traffic.

22.2 The Licensee shall peer its networks with networks of other ISPs for the purpose of exchanging local traffic so that such traffic remains within the Cayman Islands. As a means to meeting this condition, the Licensee may choose to connect or peer its network with all other ISPs at a common IXP.

22.3 Where the Licensee chooses to peer directly between itself and among other ISPs the Licensee shall peer in conjunction with those other licensees networks at the Layer two (2) “Data Link Layer” of the **International organization of Standardization, Open System Interconnection** (ISO OSI) stack; and the Licensee shall not directly or indirectly access, interrupt or otherwise use another ISP’s traffic for any purpose other than what is minimally necessary to facilitate peering of Local IP Traffic.

22.4 The Licensee shall make every effort to mitigate single points of failure in the Local IP Traffic peering network. The performance of which will be the subject of related interconnection/infrastructure or service agreements. The Office may issue administrative determination, order, decision, determination, rule or regulation to establish, standards and regulations under its authority in the interest of protection of critical national infrastructure or to define appropriate quality of service standards.

22.5 Where the Licensee connects to an IXP to exchange Local IP Traffic:

(a) the Licensee is not to charge any other ISP for the exchange of Local IP Traffic IXP;

(b) the Licensee shall be responsible for procuring, at its own expense, the necessary facilities to connect to the IXP; and

(c) the Licensee may deduct from its Licence Fees payable to the Office as per established by policy, amounts paid to an IXP for interconnection and access to and sharing of infrastructure.

23 CONTENT STANDARDS

23.1 Pursuant to *sections 55 to 57 of the ICT Act*, in the event the Office sets, reviews and revises standards for the content of broadcasts as contained in one or more published codes, the Licensee shall comply with such codes.

24 LOCAL CONTENT

24.1 The Office shall have the right to impose upon the Licensee additional obligations concerning the Type 6 ICT Service (Public Service Television Broadcasting) which may include obligations pertaining to such matters as programming and content. The Licensee agrees that the Office shall have the right to impose obligations, from time to time, as are deemed advisable by the Office.

24.2 At a minimum these obligations shall involve the following:

- (a) Any subscriber wishing to receive the Licensee's Public Television service shall be provided such a service, either via cable or broadcast technology, within a reasonable time frame and at no cost to the subscriber. This includes all manner of device required to provide service into the subscriber's premises.
- (b) Program content shall, at a minimum, be 20% local content which shall include such items as local talk shows, educational, cultural and religious programming, live sporting events, government information services and live coverage of the proceedings of the parliament.
- (c) Public Television service shall involve programming offered 24 hours a day, 7 days a week, 365 days a year.

ANNEX 1

1 LICENSED ICT NETWORKS AND ICT SERVICES

- 1.1 The Licensee is Authorised to operate the following ICT Networks as defined by the Office under the provisions of *section 23(2) of the ICT Act* and published in a Notice in the Gazette:

Type	Description	Term
1	Fixed Telephony	Twenty (20) Years
3	Mobile Telephony	Twenty (20) Years
4	Resale of Telephony	Twenty (20) Years
5	Internet Telephony	Twenty (20) Years
6	Public Service Television Broadcasting	Twenty (20) Years
7	Subscription Television Broadcasting	Twenty (20) Years
9	Internet Service Provider	Twenty (20) Years
11	The provision, by lease or otherwise, of ICT infrastructure other than dark fibre to a Licensee	Twenty (20) Years
1.2 12	Retail sale of ICT equipment (3 locations)	Twenty (20) Years
14	Application Service Provider	Twenty (20) Years

The Licensee is Authorised to supply the following ICT Services as defined by the Office under the provisions of *section 23(2) of the ICT Act* and published in a Notice in the Gazette:

Type	Description	Term
A	Fixed Wireline	Twenty (20) Years
B	Fixed Wireless	Twenty (20) Years
C	Mobile	Twenty (20) Years
D1	Fibre Optic Cable - Domestic	Twenty (20) Years
D2	Fibre optic cable - International	Twenty (20) Years
S	Spectrum	Annual

ANNEX 2

LICENCE FEES

1 LICENCE FEES

1.1 Definitions:

“Allowable Expenses” means payments made to Other Licensees for interconnection, infrastructure sharing, Wholesale Services and settlement payments made to international carriers for international traffic, including adjustments to payments for such traffic for that same period;

“Annual Revenue” means, for any Licensee Financial Year, the Annual Turnover less:

- (a) Allowable Expenses (if any of these payments are made to an Affiliate, they shall be excluded from Annual Revenue only to the extent that those payments are made at open market value on an arm’s-length basis); and
- (b) non-recurring extra-ordinary items of receipt (including real estate) not made in the ordinary course of business.

“Annual Turnover” means the total amount of money or money's worth earned by the Licensee from all sources arising out of or in connection with the Licensee's business in or from the Cayman Islands (which includes any fees derived from the use by the Licensee or a third party to advertise, whether directly or indirectly, on the channels broadcasted by the Licensee) in any Licensee Financial Year of the Licence (money or money’s worth earned from transactions with Affiliates are to be included as if those transactions are made at a minimum of open market value on an arm's length basis).

“Audit” means an audit performed by a professionally qualified external auditor and certified by an independent firm of Chartered Accountants or Certified Public Accountants.

“Audited Financial Statements” means, at the Licensee's option, either:

- (a) audited Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Annual Turnover and Annual Revenue

statements (including audits of amounts of Annual Turnover earned as money or money's worth, Annual Turnover earned from Affiliates, payments to Affiliates, and other deductions from Turnover) and such other statements as the Office may reasonably prescribe, all in respect of the Licensee's business in or from the Cayman Islands for a Licensee Financial Year during the Term of the Licence; or

(b) audited statements of Annual Turnover and Annual Revenue (including audits of amounts of Annual Turnover earned as money or money's worth, Annual Turnover earned from Affiliates, payments to Affiliates, and other deductions from Turnover) and such other statements as the Office may reasonably prescribe, all in respect of the Licensee's business in or from the Cayman Islands for a Licensee Financial Year during the Term of the Licence.

“Dispute Notice” shall have the meaning set out in **paragraph 2.1. of this Annex.**

“ICT Sector” shall mean all those activities identified as ICT Services and ICT Networks in the *section 23(2) Notice*.

“Licensee Financial Year” means the Licensee’s accounting period of twelve consecutive months at the end of which account books are closed and annual financial reports are prepared.

“Quarter” or “Quarterly” means a period of three (3) calendar months commencing 1 July, 1 October, 1 January and 1 April. For purposes of the initial quarter it shall mean the period from the Licence Commencement Date to the end of the applicable Quarter.

“Quarterly Revenue” means the Quarterly Turnover less:

- (a) Allowable Expenses (if any of these payments are made to an Affiliate, they shall be excluded from Quarterly Revenue only to the extent that those payments are made at open market value on an arm’s-length basis); and
- (b) non-recurring extra-ordinary items of receipt (including real estate) not made in the ordinary course of business.

“Quarterly Turnover” means the total amount of money or money's worth earned by the Licensee from all sources arising out of or in connection with the Licensee's business in or from the Cayman Islands (which includes any fees derived from the use by the Licensee or a third party to advertise, whether directly or indirectly, on the channels broadcasted by the Licensee) in any Quarter (money or money’s worth earned from transactions with Affiliates are to be included as if those

transactions are made at a minimum of open market value on an arm's length basis).

“Regulated Financial Year” means a period of twelve (12) months commencing 1 January and ending on 31 December.

“Regulatory Fee” means a fee payable to the Office which is determined by multiplying the Office’s costs relating to the ICT Sector, for a Quarter, which the Office has determined should be paid by Licensees in ICT Sector, by the Quarterly Revenue of the Licensee, divided by the total Quarterly Revenue of all licensees in ICT Sector. The amount of the fee shall be established and published by the Office thirty (30) calendar days prior to each Quarter, and shall be based on data from the Quarter immediately preceding the Quarter in which the date of publication falls. The specific calculation and filing procedures shall be prescribed and published by the Office in a licence fee guidelines document.

“Statement of Cash Flows” means the statement of the Licensee’s cash flow activities, particularly its operating, investing and financing activities for a given quarter or financial year of the Licensee;

“Statement of Comprehensive Income” means the statement of the Licensee’s income, expenses, and profits for a given quarter or financial year of the Licensee;

“Statement of Financial Position” means the statement of the Licensee’s assets, liabilities, and shareholders’ equity at the end of a given quarter or financial year of the Licensee, separating current assets and liabilities from non-current assets and liabilities;

“Wholesale Services” means ICT services provided by the Licensee to an Other Licensee pursuant to a Condition of this Licence or to an administrative determination, order, decision, determination, rule or regulation of the Office.

“Turnover” means Quarterly Turnover and/or Annual Turnover, as applicable in the circumstances.

“Unaudited Financial Statements” means a Statement of Financial Position, Statement of Comprehensive Income and a Statement of Cash Flows, that have not been audited, all in respect of the Licensee’s business in or from the Cayman Islands.

1.2 Licence Fee Procedures and Payment

- (a) Not later than **fifteen (15) calendar days** following the end of the Quarter the Licensee shall deliver to the Office a licence fee report showing

the amount of Quarterly Turnover broken down in a manner prescribed by the Office, Quarterly Revenue and all calculations applied, and Unaudited Financial Statements. The Licensee may be required by the Office to provide further information in respect of the Licence Fee calculated (including a description of how the Licensee arrived at the Quarterly Turnover).

(b) At the same time as provision of the information specified in subparagraph (a) above, the Licensee shall deliver a cheque payable to the Office which shall be equal to six per cent (6%) of the Quarterly Revenue together with an amount equal to the Licensee's Quarterly Regulatory Fee.

(c) The Licensee shall include, when providing the information specified in subparagraph (a) and (d), an affidavit signed by an officer of the Licensee attesting to the veracity and completeness of the information provided and that the Licensee has reported all Turnover.

(d) The Licensee shall deliver to the Office **within three (3) months** of the end of the Licensee's Financial Year a full set of Audited Financial Statements. If the Audited Financial Statements, as accepted by the Office, show that the Licensee has under paid the Licensee Fee, a further sum in the amount of that under payment shall be paid to the Office. In the event the Audited Financial Statements show that the Licensee has overpaid, a credit shall be applied to the subsequent year's Licence Fee.

2. DISPUTE RESOLUTION

2.1 Within **90 calendar days** of the receipt by the Office of the Licensee's Unaudited Financial Statements in accordance with **paragraph 1.2(a)** of this Annex or the receipt of the Licensee's Audited Financial Statements in accordance with **paragraph 1.2(d)** hereof (as the case may be), the Office may serve the Licensee with a Dispute Notice stating the grounds upon which the Office disputes the exclusion of any item from Turnover or the inclusion of any item as a deductible from Turnover for the purposes of calculating Quarterly Revenue or Annual Revenue as (the case may be) in accordance with the terms of this Annex.

2.2 The Licensee and the Office shall thereupon use their reasonable endeavours to reach a settlement in writing of the said Dispute Notice provided that, where such dispute has not been resolved to the reasonable satisfaction of the Office within 28 days of the receipt by the Licensee of the Dispute Notice, the dispute shall be referred to an independent Arbitrator (an accountant or attorney) to be agreed between the Licensee and the

Office **within 14 days** thereafter who shall determine such dispute in accordance with the *Arbitration Act, 2012* (as amended from time to time).

- 2.3 In the event that the Office and the Licensee are unable to agree on the identity of such an independent Arbitrator, the Licensee and the Office shall refer the choice of such an Arbitrator to the President for the time being of the Cayman Islands Chamber of Commerce whose decision shall be final and binding.
- 2.4 The decision of the independent Arbitrator in respect of the Dispute Notice shall be final and binding and the costs of the fees charged by the independent Arbitrator for adjudicating on the Dispute Notice shall be paid to the Arbitrator by the party against whom the said Dispute was resolved.

3. AUTHORISED FREQUENCIES FEE

- 3.1 By the first day of each Regulated Financial Year, the Licensee shall pay to the Office a fee (the “**Authorised Frequency Fee**”) as determined by the Office from time to time for each radio transmitter per channel used or to be used by the Licensee within that Regulated Financial Year.
- 3.2 The Authorised Frequencies Fee is to be set on the following principles:
 - (a) The total amount collected each Regulated Financial Year for Authorised Frequency Fees from all Licensees (including the Licensee) shall not exceed the Office’s annual estimated cost of electromagnetic spectrum management and other related activities.
 - (b) The Authorised Frequencies Fee shall be set to be the same for all the same types of transmitters used or to be used, irrespective of the use of the transmitter or the spectrum used by the transmitter.
 - (c) If, during the Regulated Financial Year, additional radio transmitters or additional channels are used by the Licensee that were not included in the Authorised Frequencies Fee payment provided for above at the start of the Regulated Financial Year, the Authorised Frequencies Fee for such new radio transmitters and channels apply for that regulated Financial Year with no proration of that fee and should be paid accordingly.

ANNEX 3A

UNIVERSAL SERVICE

This Annex is reserved for terms and conditions pertaining to any Universal Service obligation or contribution to the cost of Universal Service Fund, which the Office may, following a consultative proceeding, require in accordance with **Condition 16** of the Licence.

ANNEX 3B

SIGNIFICANT MARKET POWER

This Annex is reserved for terms and conditions pertaining to any Significant Market Power obligation(s) which the Office may, following a consultative proceeding, require in accordance with **Condition 17** of the Licence.

As part of the grant of this Licence renewal, the Office and Licensee agree to roll-over the conditions contained in Annex 5 *“Tariff Regulation and Other Matters”* of the Licensee’s previous licence, in its entirety (*with the understanding that “C&W” shall mean “Licensee” and “Authority” shall mean “Office”*), with the expectation that within 12 (twelve) months of the commencement of this Licence, the Office would have completed an SMP review consultation process and therefrom arrived at a determination on SMP access charging regulation and obligations in relation to the Licensee’s services, if any. Where the SMP review consultation and determination is not completed within the stated 12 month period, the previous Annex 5 restrictions will be lifted at the conclusion of the 12 month period following the commencement of this Licence.

TARIFF REGULATION AND OTHER MATTERS

Part 1 – C&W’s Retail Prices

1. With effect from the dates specified below, the rates set out below shall be the maximum rates which C&W shall charge retail consumers for the specified services. Percentage reductions where indicated are from C&W’s existing standard rates as at 31st December 2002.

(i) **IDD (International Direct Dial) calls**

- An overall reduction in the existing standard rates of 40% with effect from 1st December 2003 (i.e. a weighted average decrease in the price of IDD by 40%).

(ii) Monthly Line Rental (Access charge)

- Residential \$9 (from 1st January 2004)
\$12 (from 1st April 2004)
- Business (incl. Government) \$30 (from 1st Dec 2003)

The amended business rate shall be used to re-calculate the tariff for PRI access that is based on multiples of the business line rental (which becomes \$648 (being 30 x 0.72 x \$30)).

(iii) Local Calls (i.e. Calls throughout the Islands) – with effect from 1st November 2003

- Voice:

Fixed to fixed (1 st minute incl. set-up)	9¢
Fixed to fixed (per minute thereafter)	2¢
Fixed to mobile (per minute)	27¢
Postpaid mobile to fixed (per minute)	27¢
Prepaid mobile to fixed (per minute)	45¢
- Data per minute (PSTN dial up calls to an ISP) 5¢

(iv) Light User Scheme

- A Light User Scheme ('LUS') shall be introduced by C&W, with effect from 1st January 2004, with the following characteristics:
 - a. Participants in the LUS shall receive a restricted version of a basic local access package, designed to permit access to the PSTN and emergency services. The following restrictions shall apply:
 - 1. only Residential customers shall be eligible to participate in the LUS;
 - 2. participants shall receive the limited service set out below. Each participant shall have no more than one fixed line service in their name or at any one address;
 - 3. that single fixed line shall not have any enhanced features (e.g. Call Waiting, Call Forwarding, Voice Mail, etc.) or packages (SmartChoice, etc.) applied to it;
 - 4. each participant shall have no Data Services as outlined in Part 2, Category 1, Section (c) to this Schedule (see paragraph 4), nor any Special Service as outlined in Part 2, Category 2 Sections (b) and (c) (see paragraph 12) to this Schedule.
 - b. Each recipient shall pay a basic access charge of \$8 per month and pay call tariffs at the rate applicable for residential access.
 - c. Each recipient shall receive a rebate to their account (of up to \$3) each month, to be offset against the cost of fixed-to-fixed domestic calls incurred during the month. The full cost of fixed-to-fixed calls shall be displayed on the bill with any amount of the rebate (of up to \$3) displayed separately.

- d. On the first anniversary of the launch of the LUS, the Authority and C&W shall jointly review the LUS. The target take up rate of the LUS is anticipated to be approximately 5% of those accounts that are categorised as Residential. The LUS shall be reviewed and re-adjusted if the take up rate materially differs from this target. If the take-up rate is materially more than 5% then C&W shall be permitted to make reasonable amendments to the scheme so as to reduce the take-up rate, provided that C&W and the Authority shall agree on the methodology of any changes and provide reasonable notice to participants of any changes to the LUS. If the take-up rate is materially less than 5% then C&W shall make reasonable amendments to the scheme so as to increase the take-up rate, provided that C&W and the Authority shall agree on the methodology of any changes. In either case, C&W shall provide reasonable notification of any changes to the LUS.
- e. The deposit policy (as may be amended from time to time) that applies for standard fixed line service will also apply to each participant in this scheme.
- f. The LUS shall only be provided to a Subscriber once a written request is received from a Subscriber who meets all the criteria as herein described.
- g. Any Subscriber that meets all the above criteria is eligible to participate in the LUS.
- h. Should any participant cease to meet all the criteria as outlined herein, C&W shall take reasonable steps to inform Subscribers as to when they may become ineligible. If they leave the LUS, they shall receive service at the standard fixed line rate then applicable from the date that they are informed.

(v) Customer Premises Equipment

- From 1st December 2003 for business customers, and from 1st January 2004 for residential customers, C&W shall cease to charge or be responsible for inside wiring and single line "customer premises equipment" for customers, e.g. handsets, additional sockets and extensions, etc and similar single-line equipment. Such existing equipment and inside wiring shall be left in place at no cost to the subscriber.
- For greater certainty, "Public access" single-line equipment provided by C&W such as payphones and Internet kiosks are not included in the definition of "Customer Premises Equipment".

Part 2 – Retail Price Regulation

2. **Price Cap Regimes.** The following arrangements apply to the regulation of C&W's retail prices. From the Effective Date until the date that the Initial Price Cap is set, C&W shall comply with the Interim Price Restrictions as set out in paragraph 35. The Authority shall conduct a public proceeding to set the Initial Price Cap consistent with the principles set out in this Agreement. From the date that the Initial Price Cap is set, C&W shall comply with the Initial Price Cap and the Interim Price Restrictions shall no longer apply.
3. **ICT Services Categories.** C&W's retail ICT Services are divided into the following six (6) categories:

Category 1 - Price Cap Services

Category 2 - Special (i.e. Fixed Internet Connectivity , Mobile, and IDD calls)

Category 3 – Other

Category 4 - Bundled services containing services from Categories 1 and 2 or 3

Category 5 - Bundled services containing services from Categories 2 and 3

Category 6 - New ICT Services

Category 1 – Price Cap Services

4. The following ICT Services are 'Category 1 Services':
 - a. Line Rental
 - (i) Business.
 - (ii) Residential.
 - (iii) Installation and Reconnection Charges (including maintenance and repair) for Line Rental, both standard working hours rates, and after hours and weekend rates.
 - (iv) Light User Scheme.
 - b. Domestic Calling Rates
 - (i) Fixed Originated Domestic Voice calls (including Fixed Wireless Originated Domestic voice calls and 800 Domestic calls).
 - (ii) Fixed Originated Domestic Data calls (e.g. domestic calls from a fixed line to an Internet Service Provider (ISP)).
 - (iii) Fixed to Mobile (FTM) calls (i.e. domestic calls from a fixed line to a mobile line).
 - (iv) Local Payphone calls (i.e. domestic calls made from a payphone).
 - c. Data Services
 - (i) International Private Leased Circuits (IPLCs).
 - (ii) Domestic Leased Circuits (DLCs).

- (iii) Frame Relay.
 - (iv) ISDN (excluding Internet access charges above and beyond the data charge).
 - (v) Very Small Aperture Terminals (VSATs).
 - d. Others
 - (i) Custom Calling Features (e.g. Voicemail), subject to review by the Authority in the Initial Price Cap proceeding.
- 5. **Tariff Filing.** Within thirty (30) days of the Effective Date, C&W and the Authority shall finalize the form of tariffs to be filed. Within sixty (60) days of the Effective Date, C&W shall file tariffs for all the Category 1 ICT Services complete with all terms and conditions with the Authority. C&W shall publish those tariffs.
- 6. **Rate Decreases.** C&W may decrease the price of any Category 1 Service, provided that the rate decrease complies with the ex ante Imputation Test. The Authority may elect to exempt certain ICT Services from the requirement to have an imputation test. The process for any such decrease shall be as follows:
 - a. C&W files a proposal with the Authority in complete confidence (even its existence is not disclosed on the public record).
 - b. Unless more information is requested by the Authority and provided C&W does not make more than two (2) tariff filings within any ten (10) business day period, the Authority shall issue a ruling within ten (10) business days. Where that proposed price decrease meets the Imputation Test, the Authority will grant interim approval. With interim approval, C&W may implement that price decrease.

- c. C&W shall submit, on or before the date the proposed rate decrease becomes effective, each proposal to the Authority in an abridged form, including the imputation test, in a format that permits the Authority to place the abridged form of that proposal on the public record (together with any claim to be made under the Confidentiality Rules in respect of the application).
 - d. If no significant comments are received from interested parties and the Authority does not raise any concerns, within thirty (30) calendar days of the initial filing, final approval shall be granted.
 - e. In respect of the time periods set out in sub-sections (b), (c) and (d) above, these periods shall be reviewed jointly by the parties twelve (12) months after the Effective Date. Any changes to these time periods shall be as agreed by the parties.
- 7. **Rate Increases.** C&W may raise the price of any Category 1 Service only with the prior written consent of the Authority.
- 8. **Changes.** C&W may change any term or condition in respect of a Category 1 Service only with the prior written approval of the Authority.
- 9. **Withdrawal of Service.** Proposals by C&W to withdraw existing Category 1 Services, either wholly or in part, (for example, if the service was unavailable on a going forward basis), other than ICT Services required to be provided as part of any Universal Service Obligation applying to C&W, shall be governed by the following principles:
 - a. Prior to the Effective Date, C&W shall provide the Authority with details of any Category 1 Service that it intends to withdraw within six (6) months of the Effective Date.
 - b. Unless permitted by the Authority, C&W shall not withdraw any Category 1 Service in the period from the Effective Date to the first anniversary of the Effective Date.

- c. Following the first anniversary of the Effective Date, C&W may withdraw Category 1 Services with prior written notice to the Authority. Unless the Authority agrees to a shorter notice period, C&W shall provide twelve (12) months notice to the Authority.
 - d. In withdrawing any Category 1 Service, C&W shall consult with the Authority and provide the Authority with information reasonably required to allow the Authority to assess the likely impact on the market of the withdrawal of that Service, including, without limitation, technical details of the Service, the proposed process to notify affected customers and any proposed close substitutes of the ICT Service.
10. **Bundling.** Bundles of price cap services will be permitted subject to the Authority's imputation test requirements.

Category 2 – Special (Internet Connectivity, IDD and Mobile)

12. **Interim Regime.** The following ICT Services are 'Category 2 Services':
- a. all Mobile services (including GPRS or any method of accessing Internet through a mobile phone)
 - b. Low Speed Fixed Internet (both wireless or wire line) (56k and below)
 - c. High Speed Fixed Internet (both wireless or wire line) (above 56K)
 - d. IDD (including voice over Internet Protocol (VOIP) and 1010 service offerings and similar discount long distance plans)
13. **Tariff Filings.** Within thirty (30) days of the Effective Date, C&W and the Authority shall finalize the form of tariffs to be filed. Within sixty (60) days of the Effective Date, C&W shall file tariffs for all the Category 2 Services complete with all terms and conditions. C&W shall publish those tariffs.

14. **Geographic Averaging for Mobile and High Speed Internet.** C&W's rates for Mobile and High Speed Internet ICT Services shall be geographically averaged.
15. **Rate Increases.** C&W shall not increase the price of a Category 2 Service without the prior written approval of the Authority.
16. From the date that any Other Licensee starts to Commercially Provide any ICT Service defined in each of the sub-paragraphs 12(a) to (d) above, the services defined under that sub-paragraph shall be 'Category 3 Services'. (For example, until a mobile competitor starts commercial operations in the Cayman Islands, C&W cannot raise Mobile rates without the Authority's prior approval. Once there is a mobile competitor, Mobile services moves to Category 3, and C&W is permitted to raise its Mobile rates without the Authority's prior approval (see details below detailing the regulatory restrictions for C&W's Mobile and High Speed Internet pricing in Category 3)).
17. **Rate Decreases.** C&W may decrease the price of a Category 2 Service. C&W shall provide the Authority with three (3) business days' notice of any such decrease. The Authority may, in respect of any such decrease, require C&W to demonstrate to the Authority that the proposed new price passes the Imputation Test. If the new price does not pass the Imputation Test, C&W shall amend the rate (or take other steps such that the Category 2 Service does not fail an Imputation Test). The ability to require such an imputation test is limited to the first six months after the rate for the ICT Service in question has been launched in the market.
18. **Changes to Terms and Conditions.** C&W may change the terms or conditions of any Category 2 Services only with the Authority's prior written approval.
19. **Withdrawal of Service.** Proposals by C&W to withdraw existing Category 2 Services shall be subject to the same principles governing withdrawal of Category 1 Services.

Category 3 – Other

20. **Services.** The following services are 'Category 3 Services':

- a. Payphone IDD calls.
- b. Value Added Services including IP/VPN (Internet Protocol/Virtual Private Network), MIR (Managed Internet Router), MIF (Managed Internet Firewall), Email, Web Hosting, Credit Card Processing (excluding connectivity), Domain Name, Evault/Disaster Recovery, E-Account, Conference calling and Global IPass.
- c. Paging.
- d. Telex and Telegram.
- e. Operator Assisted Calls, Credit Card Calls, Calling Card Calls, and Collect Calls.
- f. Premium Rate Information or Entertainment services (e.g. 900 services).
- g. Equipment and Wiring Servicing and Consulting Services.
- h. Installation and Repair Charges (except for monthly line rental).
- i. Training and Consulting.
- j. Equipment Sales and Rentals.
- k. Directory Advertising and Enhanced Directory Listings.

20.1 There will be 2 **sub-categories** of Category 3 Services:

- a. **Sub-category A** – are ICT Services for which C&W is required to publish all of its rates, terms and conditions (in a manner that is easily accessible and clearly indicates to users what terms and conditions apply to each ICT Service). C&W is permitted to offer customer specific pricing for these sub-category A ICT Services that differ from the published rates, provided that C&W files those arrangements with the Authority within a reasonable timeframe. The Authority may, on a service by service basis, exempt C&W from this requirement.

- b. **Sub-category B** – will be ICT Services whose rates, terms and conditions C&W will not be required to publish (i.e. those Category 3 Services not in sub-category A, and all Category 3 Services that are not ICT Services).

C&W and the Authority shall agree to the Category 3 services that shall be assigned to each sub-category.

- 21. **Rate Increases.** Rate Increases for Sub-category A do not require the Authority's approval, however, C&W must notify the Authority at least three (3) business days before that rate comes into effect.
- 22. **Rate Decreases.** Rate Decreases for Sub-category A do not require the Authority's approval. However, C&W must notify the Authority at least three (3) business days before that rate comes into effect. The Authority may require C&W to demonstrate that the new rate passes an ex post imputation test, if the Authority states in writing that it has concern that the new rate fails the imputation test, and provided that it does so within 180 days of the decrease taking effect.
- 23. **Terms and Conditions.** C&W may change its terms and conditions for Sub-category A services with appropriate notice to customers, in addition to the three (3) business days' notification to the Authority, prior to those changes coming into effect.
- 24. **Consumer Protection.** If the Authority determines that there is not sufficient competition for an ICT Service and that it is the type of ICT Service that the Authority determines is of a non-discretionary nature such that regulation is appropriate, the Authority may take action in relation to that ICT Service, but that ICT Service will not be included in the Initial Price Cap plan.
- 25. **Exclusions from Paragraph 24.** For the avoidance of doubt the provisions of Paragraph 24 can be applied only to Category 3 services and so do not apply to Category 2 services. However, if competition ceases to exist in any one of the four (4) sub-categories listed in Category 2, then that sub-category service shall become subject to regulation under the rules of Category 2 until such time as another competitor offers a competing service.

- 25.1 **Geographic Averaging for Mobile and High Speed Internet.** C&W's rates for Mobile and High Speed Internet ICT Services shall be geographically averaged.

Category 4 - Bundles of Category 1 Services with Items of Category 2 or 3

26. Category 4 Services (being bundles comprising Category 1 Services with either Category 2 or Category 3 Services) shall be subject to an ex-ante imputation test. Bundling of these ICT Services shall be allowed. However, if the bundle contains a price cap service, then the rules found in Category 1 shall apply.
27. For Category 4 services, the Authority shall establish the manner in which the proportion of the revenues from the price cap service(s) element of this bundle will be credited towards compliance with the Initial Price Cap.

Category 5 - Bundles of Categories 2 and 3 Services

28. Category 5 Services are bundles comprising two or more Category 2 or 3 Services (that do not include a Category 1 Service). Bundling of these ICT Services shall be allowed, subject to the rules found in Category 2.

Category 6 - New ICT Services

29. If a New ICT Service is developed, the Authority shall determine in which Category that ICT Service belongs.
30. **Periodic Meetings.** C&W shall meet with the Authority at an agreed upon frequency for the purpose of C&W outlining its plans to adopt any New ICT Services, without reference to pricing. C&W shall file a list of those New ICT Services to be considered at least two (2) business days prior to each meeting. If the Categories can readily be determined, the Authority will give a ruling on the Category in which the ICT Service belongs on that same day.
31. **Rulings.** In addition to above, C&W may apply to the Authority in writing at any time for a ruling on an ICT Service categorization, in

which case the Authority shall make such a determination within ten (10) business days, unless more information is required.

32. **Category 1 Inclusions.** An ICT Service shall only be included as a Category 1 Service if the Authority determines that there is not sufficient competition for the ICT Service and that the ICT Service is of a non-discretionary nature such that price cap regulation is appropriate.
33. New Mobile, Internet Connectivity and IDD ICT Services will not be included in Category 1.
34. **Category 1 Rate Proposals.** For new Category 1 ICT Services, C&W may propose rates for that service, which the Authority shall deny only if it determines that the proposed rate is not commercially reasonable. For all other categories, C&W shall be permitted to set the rates.

Interim Price Restrictions

35. Until such time as the Initial Price Cap plan is finalized and implemented, the following Interim Price Restrictions shall apply:
 - Stage 1: Rate changes for ICT Services as set out in Part 1 to this Schedule take effect.
 - Stage 2: For the first twenty-four (24) months after the Effective Date, unless the Initial Price Cap comes into effect earlier, there will be two (2) baskets:
 - a. Frozen Basket, no rate increases permitted¹:

¹ With the possible exceptions that C&W anticipates that it may make applications to the Authority for approval to:

- raise the reconnection fee to \$30 as the current rate of \$10 is below the monthly line rental fee,
- raise the line installation rate from \$30 to \$50, and
- create a rate for directory assistance charges as follows:
 - 2 free directory assistance calls per month from fixed phones; thereafter \$0.25 per call for directory assistance calls from fixed phones,
 - \$0.5 per call for directory assistance calls from mobile phones,
 - 2 listing per call.

- (i) Line Rental (business and residential).
 - (ii) Line Rental installation and reconnection, maintenance and repair.
 - (iii) Domestic calling (Fixed to Fixed domestic calls, including Fixed Wireless domestic calls, 800 Domestic calls, Data (Fixed to ISP) calls, Fixed to Mobile (FTM), Local Payphone). Note: The Authority will consider an application to increase the FTM rate if the interconnection rate for mobile termination is set at a rate that would make such a change appropriate.
 - (iv) Light User Scheme.
- b. Other Basket, subject to an overall constraint equal to the Consumer Price Index of the Cayman Islands ("CPI"):
- (i) This will consist of all Category 1 Services other than those listed in a. above.
 - (ii) No rate element can increase per year by more than CPI.
 - (iii) Bundling is permitted as per Category 4.

Stage 3: Commencing two (2) years after the Effective Date, unless the Initial Price Cap regime is in effect:

- a. Frozen Basket: no rate increase shall be permitted, except:
- (i) Monthly rates for residential line rentals shall be permitted to increase by a maximum of \$1, for each year after the first two years after the Effective Date.
- b. Other Basket: subject to an overall constraint of CPI.

- (i) Carryover of unused headroom from the previous two (2) years is permitted, consistent with any applicable rules on headroom that the Authority has determined, if any. For the avoidance of doubt, if no such rules apply, carry-over may still occur.
- (ii) No rate element can increase in any one year by more than CPI.

Principles to apply to the Initial Price Cap

36. In setting the Initial Price Cap, the following principles shall apply:

Going-in Rates

- a. The rates used at the start of the Initial Price Cap (“Going-in rates”) for Category 1 Services shall be the rates in effect for the relevant services on the day before the Initial Price Cap is introduced. While the Authority can set the price cap factor (“X”) to adjust prices over time (provided that such adjustment enables C&W to maintain a reasonable rate of return), one time adjustments to any of the Going-in rates will not be required for any Category 1 ICT Service when the Initial Price Cap regime is created.
- b. For Monthly Line Rental and Domestic calling rates, C&W will not be required to lower these over the course of the Initial Price Cap regime, below the Going-in rates.
- c. Carryover of unused headroom from the Interim Price Cap regime will be permitted into the Initial Price Cap subject to the rules set out in the Authority’s Initial Price Cap decision.

Other principles:

- a. Each period of the Initial Price Cap Regime shall last for a pre-determined period of years. Each such year is a "Price Cap Year". Each Price Cap Year begins on the date of the implementation of the Initial Price Cap Regime or the applicable anniversary date thereafter. Each period of the Initial Price Cap Regime should preferably have a duration of three to five years.
- b. The Authority shall determine which ICT services shall be included in the Initial Price Cap Regime (the "Price Cap Services").
- c. The Initial Price Cap Regime will be based on regulating the prices of a basket or baskets of ICT services, which basket(s) shall be determined by the Authority following a public consultation proceeding. A simple Initial Price Cap Regime, with one or a small number of baskets, is preferable. Sub-baskets may also be established.
- d. In general, the Initial Price Cap Regime shall consist of a formula, which ties permitted price changes for the ICT services in the basket(s) to the Consumer Price Index of the Cayman Islands ("CPI") less an "X" factor intended to promote efficiency. The formula should also include appropriate provision to take account of costs required by certain unanticipated events over which C&W has no control (sometimes referred to as the "Z" factor).
- e. In determining the methodology and the value of X, the following factors, among others, are to be taken into account, with respect to that part of C&W's business used to provide services regulated under the Initial Price Cap:
 - (i) Existing and projected: revenues, financial and operating expenses, depreciation charges and capital employed;
 - (ii) Projected volume growth for services within the overall basket(s) or sub-basket(s);
 - (iii) Cost/volume and asset/volume relationships;

- (iv) Projected unit input cost changes; and
 - (v) Weighted average cost of capital (WACC) in the Cayman Islands.
- f. The weighted average price change for the Price Cap Services must not exceed CPI – X (and taking account of any other factors) for the Price Cap Year. C&W shall comply with the price cap in each Price Cap Year based on data from its previous financial year. Compliance shall be measured using revenue weights.
 - g. Before implementing any changes in prices of Price Cap Services, C&W shall provide sufficient advance notice, as determined by the Authority, to Subscribers and the Authority.
 - h. C&W shall file compliance statements with any price changes to Price Cap Services to ensure that, during any Price Cap Year, any changes in the prices of Price Cap Services comply with the requirements of the Price Cap Regime.
 - i. In the case of a new ICT service that comprises both a Price Cap Service(s) and any other service, the Authority shall establish the manner in which the proportion of the revenues from the Price Cap Service(s) element of this new service will be credited toward compliance under the Initial Price Cap Regime.
 - j. The Initial Price Cap Regime may provide that the price for any Price Cap Service or Services (singly or applied to a sub-basket) shall not increase by more than a set percentage in any one Price Cap Year.
 - k. A mechanism will be developed which will allow C&W to “carry over” from one Price Cap Year to the next changes that were permitted (but not made) in the prices of ICT services subject to the Initial Price Cap Regime.
 - l. Promotional discounts for Price Cap Services may be permitted subject to rules of the Authority.

Part 3 - Imputation Test

37. In this Agreement, where a reference is made to an imputation test, that refers to:
- a. (from the Effective Date) the Interim Imputation Test set out below; and
 - b. (from the date, after the FLLRIC model is developed, that the Authority makes a determination to replace the Interim Imputation Test) the test as set out in the relevant determination by the Authority. That imputation test shall be based on the FLLRIC model.
38. The imputation test shall be applied on an ex ante basis for Category 1 Services, or Category 4 Services (ie., bundles that contain Category 1 Services). The imputation test shall be applied on an ex post basis, if the Authority requires an imputation test, for all other services. In each case the Imputation Test shall be administered by the Authority. C&W shall provide information to enable the Authority to conduct the Imputation Test and C&W bears the onus to demonstrate that it has satisfied the Imputation Test.
39. The Interim Imputation Test is set out below.
40. The Authority has the right to require that a retail rate passes the imputation test and has the discretion to waive the requirement for a retail rate to pass the imputation test. (E.g. the Authority may determine that it is appropriate to exempt time limited promotions from an imputation test requirement.)

Interim Imputation Test

41. This Interim Imputation Test is to be used from the Effective Date until the Authority has determined the form of the Imputation Test.
42. The Interim Imputation Test identifies a floor price for downstream services included in the pricing proposal, based on the measure set out in Table 1, for purposes of determining whether C&W is engaging in anti-competitive behaviour. Table 2 defines the terms used in Table 1. A proposal passes the Interim Imputation Test if the proposed

retail price is equal to or greater than the floor price that the Imputation Test identifies. For a bundle of services, the imputed floor price is the sum of the floor prices for all of elements of that bundle.

- 43 For the purposes of this section, Stages 1 and 2 are set out in Table 1 below.

The Interim Imputation Test shall be calculated at either of Stage 1 or Stage 2.

44. In respect of each service, the floor price shall be calculated as at Stage 1 unless and until the Authority has made a determination that the service should be treated under Stage 2. The Authority may make such a determination conditionally or unconditionally, and, where the Authority elects to make a conditional determination, that service shall only be treated under Stage 2 to the extent stated and under the circumstances identified in the Authority's determination.
45. In determining whether to treat a service under Stage 2, one of the factors that the Authority shall have regard to, among others, in making such a determination shall be whether there is effective competition in relation to the relevant service market.
46. In making an application for changing the treatment of a service to Stage 2, C&W bears the onus to provide to the Authority that the test for the change in treatment has been met. The Authority will make a finding in relation to an application within three (3) months of receipt of said application.

Interim Imputation Test measures for determining floor prices

Table 1:

Service	Stage 1	Stage 2
Business line rental	Wholesale	Cost
Residential line rental	Retail	Retail
Light User Scheme	Retail	Retail
Fixed Domestic Voice Calls (including 800 domestic calls)	Interconnect plus Retail costs	Interconnect plus Retail costs
Fixed Domestic Data Calls (domestic calls from a fixed line to an ISP)	Wholesale	Wholesale
Fixed to mobile	Interconnect plus Retail costs	Interconnect plus Retail costs
International Private Leased Circuits	Wholesale	Cost
Domestic Leased Circuits	Wholesale	Cost
Custom Calling Features (eg Voicemail)	Cost	Cost
Mobile	Cost	Cost
Low Speed Fixed Internet	Wholesale	Cost
High Speed Fixed Internet	Wholesale	Cost
International Direct Dial	Wholesale	Cost
Equipment	Cost	Cost
Directory Enquiries	Retail	Retail

Definition of Terms used in Table 1

Table 2:

Term	Meaning
Retail	The price charged by C&W to its own retail customers, as set out in C&W's retail tariffs
Interconnect on plus retail costs	The price being the sum of the interconnection charge for interconnection services used in the production of that service, plus the direct costs (i.e. excluding common costs) associated with the retail provision of that service.
Wholesale	The price charged by C&W to Other Licensees who are purchasing wholesale service as contemplated in this Schedule 4.

<p>Cost</p>	<p>Cost calculated using the adjusted FAC model, unless the FLLRIC model has been developed, in which case FLLRIC model shall be used.</p> <p>The FAC model costs shall be the sum of the network costs associated with the provision of the service and a contribution to common costs, and the costs associated with the direct retail functions of the service (i.e. excluding the associated common costs).</p> <p>If the adjusted FAC model does not provide costing information that is disaggregated to the level of the service(s) in question, the Imputation Test will use the results from the FAC Proxy Allocation. The FAC Proxy Allocation uses the results from the C&W adjusted FAC model to identify the network costs, retail costs, common costs and profit associated with the service category in which the service(s) in question is included. The values to be used in the imputation test will be derived from applying these percentages to the existing retail charge(s) of the service(s) in question. This means that the network cost associated with the service will be estimated through applying the percentage of cost associated with network functions for the relevant service group to the retail charge for the relevant service. The common costs will be split in the same proportion as the costs of the network and retail functions, and those associated with network functions will be included.</p> <p>In cases where C&W's FAC model does not include sufficient cost information, (e.g. when the service did not exist or had only been offered for a short when C&W's FAC model was developed) then C&W's business cases and analysis will provide costing information to be used in the imputation test.</p>
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47. For ICT Services not listed in Table 1, the Authority shall determine the appropriate price floor calculation method to apply, if the Authority believes it necessary to do so.

Part 4 - FLLRIC Model

48. C&W commits to building a forward-looking long-run incremental cost (FLLRIC) model within an agreed time frame. The parties intend that the form of the FLLRIC model may draw on elements of the Canadian Phase II methodology. In establishing prices for interconnection services and access deficit, if any, the Authority shall include a mark-up to provide a contribution towards the recovery of C&W's fixed and common costs. In establishing floor prices for imputation test purposes, the Authority shall decide whether to include such a mark-up.

49. Once built, the FLLRIC model shall be used for:

- (a) Interconnection Rates
- (b) Determining whether Access Deficit exists, and if so, setting Access Deficit Contributions (ADCs)
- (c) Imputation Tests

50. Process:

- (a) Two (2) months following the Effective Date, C&W shall submit a proposal on FLLRIC principles and parameters, the length of time and estimated costs to implement the proposed FLLRIC methodology.
- (b) The Authority shall have ten (10) months thereafter to run a proceeding and make a decision (the period can be extended or shortened at the Authority's discretion).

- (c) The Authority shall determine the type of FLLRIC model (and the level of granularity to be required) to be built taking into account the benefits to be derived as compared to the expense associated with achieving that level of detail.
 - (d) As part of its decision regarding the nature of the costing model to be implemented, the Authority shall provide a reasonable time frame within which C&W shall implement the Authority's determinations. It is estimated, at present, that it will take C&W one (1) year to implement a FLLRIC model.
 - (e) The Authority reserves the right to conduct, from time to time, additional processes that are required to determine the reasonableness of the results, and where necessary, to require adjustments to the model.
51. **Cost Recovery.** The Authority will consider an application from C&W for the recovery of start up costs for building the model. If the Authority determines that the costs were reasonably incurred, the Authority will set up a mechanism to allow C&W to recover its costs.

Part 5 – Interconnection

52. From the date that model is developed, interconnection rates shall be based on the FLLRIC model.
53. Until the FLLRIC model is built, costs calculated for imputation tests and interconnection rates shall be based on C&W's Fully Allocated Cost model with the following adjustments:
- (a) updating that model to include 2002/03 financial data and traffic data;
 - (b) adjustment to include the licence fee as an expense;
 - (c) adjustments to reflect the effects of the tariffs noted above (ie rebalancing);

- (d) adjustments to reflect the following allocation of cellular antenna and tower costs: 80% cellular, 10% distribution; 10% switching;
 - (e) assumptions concerning directory assistance, reconnection and installation charges as contemplated in the footnote 1 to this Schedule 4; and
 - (f) adjustments to treat the licence fee (assumed to be a constant level) as an expense, therefore reducing the weighted average cost of capital to 13.5%.
54. In lieu of updating the model in each subsequent (C&W) financial year, C&W agrees to apply:
- a productivity improvement assumption of 4.8% to the fixed termination rate excluding the call-set up component (for example, $\$0.0105 \times (1-4.8\%) = \0.0100 , thereby reducing a rate of $\$0.0105$ to $\$0.0100$), excluding the call set up component;
 - a productivity assumption of 25% to the transit rate excluding the call set up component.
- For greater clarity, after the above adjustments are made there shall be no further adjustments to the above rates until FLLRIC is implemented.
55. C&W shall provide the Authority on a timely basis the information the Authority reasonably requires to enable it to verify the output interconnection rates using the methodology set out in paragraph 53.
56. C&W may propose to the Authority that interconnecting Licensees should pay an Access Deficit Contribution (ADC). If the Authority is satisfied that C&W suffers an access deficit, C&W may charge interconnecting carriers an ADC. The question of whether an access deficit exists will be reassessed using the FLLRIC model. If the FLLRIC model, as verified by the Authority, confirms that an access deficit exists, then a mechanism to recover the access deficit in a manner consistent with competitor equity will be created.
57. All interconnection rates are to be reciprocal (i.e. all licensees will charge each other the same rate for the same service – except for any applicable contribution towards an Access Deficit).

58. Other Licensees, if they take the service, will pay C&W for its directory assistance and 9-1-1 service at cost-based rates to be approved by the Authority, despite the fact that it may be offered free or at a reduced rate to C&W's retail customers.
59. Prior to April 1 2004, the Authority shall conduct a proceeding to establish whether and the extent to which the mobile termination rate should be amended until a FLLRIC model is created. Any such determination can only result in no greater than a 25% increase or decrease to the mobile termination rate charged by mobile Licensees at that time. Any change shall take effect on or after April 1, 2004 as specified by the Authority and shall be superseded by FLLRIC rates when available.
60. If the international settlement payment on a carrier route basis received by C&W is less than the mobile termination rate to be paid to deliver that traffic plus C&W's cost of transiting and delivering the call to the mobile Licensee, C&W shall first attempt to negotiate or otherwise obtain a higher international settlement payment. In the event that C&W is unsuccessful in obtaining a higher settlement payment, then C&W and the mobile Licensee ("the parties") are to negotiate an arrangement for the splitting of the international settlement payment. In the event that the parties are not able to reach an agreement, then:
 - (a) the mobile Licensee may opt to refuse the use of C&W's facilities to terminate the international mobile traffic, without penalty, provided it receives a higher international settlement payment itself (or through third party) and therefore is able to terminate international mobile traffic itself; or
 - (b) Either party may refer the dispute to the Authority for determination. If the mobile Licensee has exercised its option to refuse the traffic, the need for the dispute to be resolved by the Authority is negated.

The arrangements listed in this section also apply, with the necessary changes, when C&W is the mobile carrier and the other Licensee is the transiting international carrier seeking to terminate the call on C&W's mobile network.

61. For the avoidance of doubt, nothing in this section prevents C&W from agreeing with another Licensee to use a different mobile termination rate for international originated calls from that of domestically originated calls, provided that C&W acts in a non-discriminatory manner with its own international mobile terminated traffic.
62. Within thirty (30) days of the Effective Date, C&W shall provide to the Authority an indicative non-binding Legal Framework document, being the non-technically-specific portion of a proposed draft interconnection agreement.
63. The first time that C&W responds to a written request from a Licensee under section 44(3) of the Law, C&W shall provide a copy of the response to that request to the Authority.

Part 6 –Wholesale Services

64. **Authority may mandate resale.** From the Effective Date, C&W shall offer any service to other licensed operators on a wholesale basis if the Authority has issued a written direction requiring C&W to do so. The wholesale price of any service that is required to be offered for resale shall, subject to any specific exemptions in section 66. below, be:
 - (a) (in the case of a service covered by the commitments given in Attachment 1) as calculated in this Agreement; and
 - (b) (in all other cases) C&W's retail price less a discount to reflect the avoided retail costs to C&W of providing that service.
65. **Rate changes.** Wholesale rates shall be adjusted with effect from the date that changes to the relevant retail rate take effect, save and except that wholesale rates shall not increase more than once in each calendar year without the prior written approval of the Authority. In the case of rates given conditional on a term commitment, those rates shall remain as agreed during the life of that commitment unless similarly situated existing retail customers of C&W receive a rate reduction.

66. **Specific exceptions.** If the wholesale price is lower than the cost of providing that service, the wholesale price shall be the retail price of that service (i.e. no discount applies to such services). ('Cost' shall have the same meaning as in Table 2 but excluding common costs).
- 66.1 C&W shall not be required:
- (a) to offer wholesale access for traffic that neither originates, nor terminates, in the Cayman Islands;
 - (b) to make available on a wholesale basis any service which it does not itself offer to retail customers; and
 - (c) to make available wholesale services for which there is insufficient demand to justify the cost of development.
67. **Costs associated with wholesale services.** With the exception of the services set out in Attachment 1, C&W shall be entitled to recover all material costs, if any, it incurs in developing the product capabilities necessary to provide an ICT service on a wholesale basis. Such costs should be shared amongst all purchasers of the resale service in an equitable manner.
68. **Bundling.** Where retail services are offered together to create a bundled service, both the retail services included in the bundle and the bundled service itself shall be made available as wholesale services unless the Authority has granted an exemption.
69. **Mobile not mandated for wholesale.** The Authority agrees to grant C&W an exemption from the requirement to offer mobile services on a wholesale basis regardless whether such services are offered on a bundled or unbundled basis, unless, at a date after the first anniversary of the Effective Date:
- (a) C&W is the only operator of a mobile network in the Cayman Islands and
 - (b) wholesale mobile services are reasonably requested by another Licensee which, in the Authority's view, such request would promote competition in the mobile market.

Notwithstanding the above, any requirement that C&W shall offer mobile services on a wholesale basis shall cease to apply once C&W is no longer the only mobile network operator in the Cayman Islands. If

the conditions in (a) and (b) were met and another Licensee had obtained wholesale mobile services, its commercial arrangements with C&W shall continue for the length of the existing agreement.

70. **C&W Commitments.** Without being specifically required to do so by the Authority, C&W shall, from the dates specified in Attachment 1, make the wholesale services available to ICT licensees on request as set out in the Attachment 1 to this Schedule 4.

Part 7 - Corporate Choice

71. As part of its performance of this Agreement, C&W shall cease to offer 'Corporate Choice' contracts on the Effective Date, provided that each Corporate Choice customer elects to take service under the standard terms and conditions including the new pricing for IDD calls as set out in this Agreement. The parties agree that C&W shall not apply cancellation fees to customers. The parties agree that the IDD discounts set out in this Agreement are not cumulative with any discounts received by customers who elect to remain on Corporate Choice contracts. For further clarity, the new rates for IDD set out in this Agreement shall not apply to any Corporate Choice customer that elects to remain on its Corporate Choice contract.

Part 8 – Internet Pricing

72. On 1 November 2003, C&W shall change its retail rate for internet access services to offer the following two plans:
- (a) an unlimited dial-up Internet package at \$17 per month plus usage charge of \$0.05 per minute; and
 - (b) 10 hours for \$29.00 plus \$2.90 per hour thereafter.

Part 9 – Bypass

73. C&W will continue to implement its existing policies with respect to Bypass of the international voice gateway. The parties further acknowledge that, from 1 April 2004, all such arrangements shall be subject to and governed by the relevant provisions of the ICTA Law.

Part 10 – Directories

74. C&W acknowledges that the Authority has authority over its contract terms with publishers and suppliers of directories.

Part 11 – Submarine Cable Assets

75. C&W acknowledges that the references in section 44(1) to an ICT Network include, in the case of C&W, submarine cable systems operated by C&W and, therefore, references in the Law to C&W's obligations in relation to interconnection and infrastructure include reference to obligations in relation to those facilities.
76. C&W acknowledges that its offering of interconnection services shall include capacity between Grand Cayman and each of Little Cayman and Cayman Brac (subject to capacity being available) and that, under the terms of any indicative interconnection offer made by C&W, such capacity shall be made available at a rate that is cost-based (meaning FAC as adjusted until FLLRIC is available, and FLLRIC thereafter) using either cable or microwave link as appropriate.

Interpretation

- "bypass" means the commercial use or supply of either:
- (a) the passing of an international voice service (including the carriage of a reconstructable voice channel within a data or mixed voice/data service) without passing through the international gateway switch of a licensed voice network; or
 - (b) the termination of international voice services on the domestic switched telecommunications network by a person who does not originate the call or possess a valid interconnection agreement with that domestic operator with respect to international voice services;
- "C&W" means the Licensee;

“commercially operate”	means to use an ICT Network to provide an ICT Service to any person (with the exception of their own employees) or Licensee, charging a fee for that service;
“Effective Date”	has the same meaning given in the 2003 Agreement between Cable & Wireless (Cayman Islands) Limited and the Governor in Cabinet of the Cayman Islands and the Information and Communications Technology Authority;
“IDD”	means the service comprising circuit-switched international voice telephony, and, where relevant, a reference to an IDD call shall mean a call provided using IDD between a place in the Cayman Islands to or from a place that is not in the Cayman Islands;
“interconnection”	has the meaning given in the Law and hence a reference to interconnection in this Agreement includes a reference to infrastructure sharing under section 48 of the Law;
“local calls”	means voice calls between places within the Cayman Islands;
“New ICT Service”	means an ICT Service that the Authority determines to be materially different in one or more of its fundamental features from any ICT Service previously offered by C&W;
“Other Licensee”	; a Licensee other than C&W;
“publish”	means, in respect of a tariff, to make that tariff available on the Internet and available for inspection to people who visit each of C&W’s public offices; and
“retail”	means in respect of any price, the published tariff rate of C&W not including any plans or discounts for that service.

ATTACHMENT 1

SERVICE OUTLINE: OUTGOING IDD CARRIER WHOLESALE

Overview

Provides circuit switched IDD services to interconnected 3rd party fixed or mobile carriers. The call originates on the network of the 3rd party fixed or mobile carrier and is passed to C&W through a standard interconnect joining service, from where C&W carries the call to the relevant international destination. This wholesale service is covered outside of the interconnect agreement in a Wholesale Service Agreement

C&W will have documentation for the Outgoing IDD Carrier Wholesale service available from 25 July 2003.

Charges

Service	Charge
Interconnect Joining Service	Standard joining service rate
Outgoing IDD Carrier Wholesale	20% reduction from C&W's standard per minute IDD rates

SERVICE OUTLINE: IDD RESALE

Overview

Provides circuit switched IDD services to service provider for resale to end users who are directly connected to C&W's network through the use of C&W's 800 Access Service. Access and egress connectivity to the service provider platform is provided over channelised E1s. Once the service provider authenticates the call, it is handed to C&W's international switch over a channelised E1, from where C&W carries the call to the relevant international destination.

C&W will have documentation for the IDD Resale service available from 25 July 2003.

Charges

Service	Charge
800 Access Service	A 15% reduction from the standard domestic per minute calling rates
Channelised E1	A 15% reduction from the standard PRI rental charges which is currently \$649 therefore current wholesale prices would be Installation \$500 Monthly rental \$550
IDD Resale Service	20% reduction from C&W's standard per minute IDD rates

SERVICE OUTLINE: DOMESTIC LEASED CIRCUIT (DLC)

Overview

Dedicated bandwidth is provided between two carrier locations or from carrier to end customer

Case No	Service	Capacity provided
1	Customer to Customer	Nx64 kbit/s, NxE1
2	Customer to Carrier	NxE1
3	Carrier to Carrier (Approach links)	NxE1

C&W will have documentation for the Customer to Customer and Customer to Carrier services available from 15 September 2003 and documentation for the Carrier to Carrier (Approach links) service available from 1 October 2003.

Charges

Service	Charge
Nx64 kbit/s	10% reduction from the standard domestic leased circuit charge
NxE1	20% reduction from the standard domestic leased circuit charge

SERVICE OUTLINE: INTERNATIONAL PRIVATE LEASED CIRCUIT (IPLC)

Overview

International bandwidth is facilitated between domestic carrier location and international location to notional midpoint on international facility. The far end half circuit is alternatively sourced

C&W will have documentation for the IPLC for data services available from 15 September 2003 and documentation for the IPLC for voice services available from 1 February 2004.

Charges

Service	Charge
Domestic tail	10% reduction from the standard domestic leased circuit rental charge for Nx64kbit/s 20% reduction from the standard domestic leased circuit rental charge for Nx E1
International half circuit	20% reduction from the standard international half circuit rental charge

SERVICE OUTLINE: INTERNET ISP CONNECT AND DIAL UP ACCESS SERVICE

Overview

Provides IP Port connectivity from ISP premises to C&W ISP network. ISP may purchase channelised E1s for 800 dial up access for end customers.

C&W will have documentation for the Internet ISP Connect services available from 15 September 2003.

Charges

Service	Charge
Dial up service	A 20% reduction from standard Dial up internet access service which is currently 5 cents per minute therefore current wholesale prices would be 4 cents per minute
Channelised E1	A 15% reduction from the standard PRI rental charges which is currently \$649 therefore current wholesale prices would be Installation \$500 Monthly rental \$550
ISP Connect	
64 kbit/s	Installation \$660, Monthly rental \$674
128 kbit/s	Installation \$660, Monthly rental \$1,236
256 kbit/s	Installation \$660, Monthly rental \$2,153
512 kbit/s	Installation \$660, Monthly rental \$3,598
1024 kbit/s	Installation \$660, Monthly rental \$5,806
1536 kbit/s	Installation \$660, Monthly rental \$7,543
2048 kbit/s	Installation \$660, Monthly rental \$8,890

SERVICE OUTLINE: RETAIL ADSL INTERNET SERVICE RESALE

Overview

Enables the resale of C&W's retail ADSL Internet offering, consisting of four distinct packages as determined by the uplink and downlink speeds.

C&W will have documentation for the Retail ADSL Internet Service Resale offering available from 5 August 2003.

Charges

Service	Charge
Ultra (128/64 kbit/s)	A 15% discount on the monthly rental charge which is currently \$74 therefore the current wholesale price would be Installation \$120 Monthly rental \$63
Select (256/64 kbit/s)	A 20% discount on the monthly rental charge which is currently \$99 therefore the current wholesale price would be Installation \$120 Monthly rental \$79
Premium (768/128 kbit/s)	Which is a 20% discount on the monthly rental charge which is currently \$199 therefore the current wholesale price would be Installation \$120 Monthly rental \$159
Deluxe (1544/256 kbit/s)	Which is a 20% discount on the monthly rental charge which is currently \$349 therefore the current wholesale price would be Installation \$120 Monthly rental \$279

ANNEX 3C

CONTENT STANDARDS

This Annex is reserved for terms and conditions pertaining to any Content Standards obligation which the Office may, following a consultative proceeding, require in accordance with **Condition 23** of the Licence.

ANNEX 3D

LOCAL CONTENT

This Annex is reserved for additional terms and conditions pertaining to any Local Content obligation which the Office may, following a consultative proceeding, require in accordance with **Condition 24** of the Licence.

ANNEX 4²

Authorised Frequencies and Transmitters

Frequency	Type of Service/Network	Comments
704 to 710MHz 734 to 740MHz	Mobile Telephony	Exclusive
710 to 716MHz 740 to 746MHz	Mobile Telephony	Exclusive
816.9875 - 820.9875 MHz 861.9875 - 865.9875 MHz	UHF, RX Trunked Radio Specialized Mobile Radio Service UHF, TX Trunked Radio Specialized Mobile Radio Service	Non-exclusive Non-exclusive
824 - 839 MHz 869 - 884 MHz	Mobile Telephony	Exclusive
1895 - 1910 MHz 1975 - 1990 MHz	Mobile Telephony	Exclusive
1450 - 1525 MHz	Point to Point Links (CYB-LYB Micro Wave) Operational Fixed Mobile	Non-exclusive
2.4000 - 2.4835 GHz	Fixed Wireless	Non-exclusive
3.400 - 3.600 GHz	Broadband Wireless	Non-exclusive

² Note – the type and number of boxes will change depending on each particular Licensee’s requirements, and can also include references to such matters as short codes and submarine cables.

3.7 - 4.2 GHz 5.925 - 6.425 GHz	VSAT, RX (Point to Multi Point Links) Land Earth Station Service VSAT, TX (Point to Multi Point Links) Land Earth Station Service and Point to Point Microwave Radio Link between Little Cayman and Cayman Brac	Non-exclusive Non-exclusive
5.250 - 5.330 GHz	Fixed Wireless	Non-exclusive
7.888550 - 7.944550 GHz 7.971500 - 8.027500 GHz	Point to Point Applications Point to Point Applications	Non-exclusive Non-exclusive
8.199875 - 8.255875 GHz 8.237500 - 8.293500 GHz	Point to Point Applications Point to Point Applications	Non-exclusive Non-exclusive
10.835 – _11.565 GHz	Point to Point Applications	Non-exclusive

Type S Licence

Type S Licenses are issued annually on the basis of the number of transmitters and frequencies.

Number Allocations

Numbers	NXX	Comments	In Service Date
Fixed	345-222+	1 number active 222-2222	01-Aug-01
Fixed	345-244	1 block of 10,000 numbers	Prior to 2000
Fixed	345-266	1 block of 10,000 numbers	Prior to 2000
Fixed	345-444+	1 number active 444-4444	01-Jun-01
Fixed	345-638	1 block of 10,000 numbers	Prior to 2000
Fixed	345-730	1 block of 10,000 numbers	Prior to 2000
Fixed	345-747	1 block of 10,000 numbers	01-Jan-05
Fixed	345-777+	1 number active 777-7777	01-Jan-02
Fixed	345-800	1 number active 800-8477	Prior to 2000
Fixed	345-814	1 block of 10,000 numbers	Prior to 2000
Fixed	345-815	1 block of 10,000 numbers	01-Oct-02
Fixed	345-848*	1 block of 10,000 numbers	
Fixed	345-849*	1 block of 10,000 numbers	
Fixed	345-888+	1 number active 888-8888	01-Mar-01
Fixed	345-914	1 block of 10,000 numbers	Prior to 1995
Fixed	345-930	1 block of 10,000 numbers	Prior to 2000

Fixed	345-940	1 block of 10,000 numbers	01-Mar-05
Fixed	345-943	1 block of 10,000 numbers	01-Nov-00
Fixed	345-945	1 block of 10,000 numbers	Prior to 1995
Fixed	345-946	1 block of 10,000 numbers	Prior to 2000
Fixed	345-947	1 block of 10,000 numbers	Prior to 1980
Fixed	345-948*	1 block of 10,000 numbers	Prior to 1995
Fixed	345-949	1 block of 10,000 numbers	Prior to 1980
Fixed	345-976	1 block of 10,000 numbers	18-Jun-95
Mobile	345-990	1 block of 10,000 numbers	01-Aug-00
Fixed	345-995	1 block of 10,000 numbers	01-Jun-03
Mobile	345-916	1 block of 10,000 numbers	01-May-95
Mobile	345-917	1 block of 10,000 numbers	01-Aug-99
Mobile	345-919	1 block of 10,000 numbers	01-Mar-99
Mobile	345-922	1 block of 10,000 numbers	23-Nov-06
Mobile	345-923	1 block of 10,000 numbers	23-Nov-06
Mobile	345-924	1 block of 10,000 numbers	01-Feb-06
Mobile	345-925	1 block of 10,000 numbers	01-Jun-03
Mobile	345-926	1 block of 10,000 numbers	01-Feb-00

Mobile	345-927	1 block of 10,000 numbers	01-Feb-00
Mobile	345-928	1 block of 10,000 numbers	01-Oct-02
Mobile	345-929	1 block of 10,000 numbers	01-Jun-03
Mobile	345-936	1 block of 10,000 numbers	23-Nov-06
Mobile	345-937	1 block of 10,000 numbers	23-Nov-06
Mobile	345-938	1 block of 10,000 numbers	01-Feb-06
Mobile	345-939	1 block of 10,000 numbers	01-Jun-04
Number	Special Services		Comments
10-10-269	International Discount Calls		Exclusive
10-10-335	International Discount Calls		Exclusive
10-10-729 (PAY)	Access to 1 800 Calls		Exclusive
800-8477	800-TIPS (Police Service)		Non-exclusive
1-800-744-xxxx	International Toll Free Service		Exclusive
1-800-534-xxxx	National Toll Free		Exclusive
1-900-222-xxxx	900 Services		Exclusive

- * Central Office Code (COC) split between Sister Islands and Paging Services.
- + C&W will not issue any other numbers in this range without Office approval. As codes become vacant, C&W will return them to the Office Numbering Pool.

ANNEX 5

Subscriber Protection and Privacy

1. Description of ICT Services

- 1.1 The Licensee's ICT Services and the retail rates for such services are to be clearly described and be up to date in its marketing materials and on its website.
- 1.2 The Licensee's marketing materials and website shall clearly state how subscribers may contact it. Such contact information to include a valid telephone, e-mail address and website.

2. Disclosure of Contract Terms and Terms of Service

- 2.1 The Licensee's subscriber contracts shall clearly set out the rates, terms and conditions of the Licensee's ICT Services. The Licensee's ICT Services shall be described in a manner such that Subscribers are able to tell in advance what the ICT Services will cost, where and how well the Licensee's ICT Services will work.
- 2.2 The Licensee's Terms of Service shall form part of the Licensee's Subscriber contracts and agreements. The Licensee's Terms of Service shall provide a clear description of the conditions for providing that service. At a minimum, the Licensee shall obtain explicit written authorisation from a Subscriber in order to provide the ICT Services. An example of the Licensee's conditions for providing that ICT Service may be that an application form is properly completed; that facilities are available for the type of ICT Service required; and that there are no outstanding bills for services previously supplied by the Licensee.

3. Customer Dispute Procedures

- 3.1 The Licensee shall establish a subscriber complaint and dispute procedures, with trained and knowledgeable staff personnel.
- 3.2 Subscribers must be allowed to dispute charges for ICT Services they do not believe they originated or authorised. A charge being disputed by a subscriber shall not be considered past due unless the Licensee has reasonable grounds for believing that the purpose of the dispute is to evade or to delay payment.

4. Protection of Customer Information

- 4.1 The Licensee shall have an established policy published on its website and available on request for the protection of information about the subscriber and procedures to support that policy.
- 4.2 At a minimum, the Licensee's policy for the protection of such Subscriber information shall include the following: unless a subscriber provides express consent otherwise, all information obtained or collected by the Licensee regarding the subscriber are confidential and may not be disclosed by the Licensee to anyone other than:
 - (a) the subscriber;
 - (b) an Other Licensee, provided only that information required for the efficient and cost-effective provision of the ICT Service that has been authorised by the Subscriber is disclosed, and disclosure is made on a confidential basis with the information being used only for such purpose;
 - (c) a public authority or an agent of a public authority if, in the reasonable judgment of the Licensee and in compliance with relevant Data Protection Acts, it appears that there is imminent danger to life or property which could be avoided or minimised by disclosure of that information;

- (d) an agent retained by the Licensee in the collection of any outstanding monies under the subscriber's account, provided that the information is required and used solely for that purpose.

4.3 The Licensee's policy for the protection of Subscriber Information shall be included in its subscriber contract, including the Licensee's contact information if a subscriber considers that the policy has been breached.

5. Payment of Customer Bills

5.1 The Licensee's subscriber contracts and agreements shall clearly state at a minimum what payments subscribers are responsible for, when bill payments are due and the last date they must be paid before incurring late payment charges.

6. Identification of Licensee Personnel

6.1 The Licensee's Terms of Service shall make it clear that every person who is authorised to perform work on behalf of the Licensee carries an identification card. If the subscriber has doubts about the authenticity of a person, the subscriber may ask to see that individual's identification card and/or call the Licensee's office before allowing the Licensee's representative on their premises to undertake the necessary work.

7. Suspension and Termination of Service

7.1 The Licensee's Terms of Service shall describe the conditions under which subscribers may terminate their contract with the Licensee for the provision of the ICT Services.

7.2 Subscribers who give reasonable advance notice to the Licensee may terminate their ICT Services after expiry of the minimum contract period, in which case, they must pay only those charges due for the ICT Services which have been provided to them by the Licensee.

- 7.3 The Licensee may levy a termination charge based solely on the direct costs associated with terminating the ICT Service but is not entitled to levy a termination charge which is in the nature or form of a penalty.
- 7.4 The Licensee's Terms of Service shall make clear the circumstances under which the Licensee may suspend or terminate the ICT Service(s) (e.g. where a subscriber fails to pay an account that is past due or exceeds a specific dollar amount that is reasonable for the ICT Service, or for reasons related to unreasonable use).
- 7.6 The Licensee may suspend or terminate a subscriber's local voice services only during normal business hours.

8. Notice of Service Changes or Rate Changes

- 8.1 The Licensee's Terms of Service shall clearly state the minimum notice period to be provided to existing subscribers for changes to services and/or rates.
- 8.2 The minimum notice period should be reasonable for the service provided.

9. Subscriber Deposits

- 9.1 The Licensee's Terms of Service shall indicate whether a subscriber deposit is required and the reason for that deposit. The deposit amount should be reasonable and be related to the use of the Licensee's equipment, credit worthiness of the subscriber or for other similar reasons.
- 9.2 Upon termination of the ICT Service, the Licensee shall within **one hundred and twenty (120) calendar days** refund to any such subscriber all monies deposited including interest thereon as provided in the Licensee's Terms of Service for that subscription, less any monies owed by the subscriber for unpaid bills.

9.3 The Licensee shall keep all such deposits in a separate trust account established by the Licensee with the beneficial right to the monies in such account designated in favour of subscribers making security deposits.