

## Redacted Version

Mr. David Archbold,  
Managing Director,  
Information and Communications Technology Authority,  
3<sup>rd</sup> Floor, Alissta Towers,  
North Sound Way,  
Grand Cayman,  
Cayman Islands.

29 January 2004

Dear David,

### **Re: Interim Interconnection Agreement**

As you are aware, since October 2003 Cable and Wireless (Cayman Islands) Limited (“C&W”) and Digicel Cayman Ltd (“Digicel”) have been in extensive and at times difficult negotiations to conclude an interconnection agreement between our networks. The parties, in the form of this joint letter, wish to inform the Information and Communications Technology Authority (the “Authority”) that we have now reached agreement on all issues with the exception of the rate for fixed to mobile termination and mobile to mobile termination. In order to facilitate the timely launch of competition in the Cayman Islands, however, the parties have agreed an **interim** mechanism in relation to the rate for mobile termination which allows an overall interconnection agreement to be concluded.

### **Interim Mechanism**

The **interim** mechanism agreed by the parties for resolving the outstanding issue of the rate for fixed to mobile termination and mobile to mobile termination (both referred to as MT) is as follows:

1. (*See note re the confidentiality of this paragraph*) The mid point between the opening proposals of the parties is to be used to establish an **interim** MT rate. The parties agree that the **interim** MT rates is ##### being the mid point between C&W’s opening proposal of ##### and Digicel’s opening proposal of #####. This **interim** MT rate is calculated on the basis of a ##### minute call duration.
2. This MT rate is in respect of both fixed to mobile and mobile to mobile calls.
3. This **interim** mechanism is without prejudice to the position of either party in relation to the appropriate rate for fixed to mobile termination and mobile to mobile termination and the resultant **interim** MT rate is to be used only for the purposes of determining **interim** payments between the parties for the fixed to mobile and mobile to mobile termination services until such time that the matter is resolved by determination by the Authority.
4. The parties agree to submit their positions to the Authority as part of a dispute resolution process and to request the Authority to work towards resolving this matter within a three-month timeframe.
5. The parties agree that the MT rate determined by the Authority will be retrospectively applied as from the date of the signing of the interconnection

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agreement and that an adjustment payment will be made by the appropriate party to reflect the difference between the determined rate and the **interim** rate.

6. The parties agree to adhere to the signed NDA in relation to public comment about this agreement.
7. The parties do not rule out the possibility for commercial negotiations to be reconvened, in which event the Authority will be advised accordingly.

Agreement between Digicel and C&W on the interconnection agreement is contingent on the Authority confirming, by way of a letter, that it has no objection to the parties agreement to the use of the **interim** mechanism nor to their agreement that the use of the **interim** mechanism is without prejudice to the positions of any of the parties.

### **Confidentiality Claim**

C&W and Digicel claim confidentiality with respect to the contents of paragraph 1 above on the basis that they believe that disclosure of the parties' positions with respect to the rates could reasonably prejudice negotiations with third parties in the case of C&W and result in competitive disadvantage for Digicel. C&W and Digicel have minimised staff access to this information and will not share it with anyone outside the two companies. C&W and Digicel request that confidentiality be sustained for 6 months, and are filing a redacted version for the public record where all confidential information is replaced by "###".

### **Filing of a Determination Request**

The parties hereby file a determination request with the Authority as per the Information and Communications Technology Authority (Dispute Resolution) Regulations, 2003 ("Dispute Resolution Regulations") in respect of the rate for fixed to mobile termination and mobile to mobile termination. The core of the dispute is that the parties have significantly different proposals as to the appropriate rate for mobile termination.

The parties undertake to separately submit all information in support of their respective positions and to comply with all other requirements as per the Dispute Resolution Regulations by February 27<sup>th</sup> 2004. In the meantime the parties each attach a cheque for CI\$375 to cover the fees set out in the Section 5 (1) 3 (e) of the Dispute Resolution Regulations.

Since the parties agreed under the **interim** mechanism to file a determination request, some parts of the overall dispute resolution process are redundant. The parties therefore request the Authority to follow an expedited process (under Section 8 (e) of the Dispute Resolution Regulations) for resolution of this dispute. The parties also request that, following the February 27<sup>th</sup> deadline for submissions, the Authority will make a reasonable attempt to make a determination by April 30<sup>th</sup> 2004.

Both parties hereby also provide an undertaking to meet any and all costs arising from any process or procedure initiated by the Authority in respect of the determination request, in the event that the Authority decides that the party or parties should pay such costs.

The parties look forward to hearing from you at your earliest convenience.

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Yours sincerely,

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Timothy P. Adam  
CE Cable and Wireless (Cayman Islands) Limited

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JD Buckley  
CEO Digicel Cayman Ltd

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