

Our Ref: GRCR/ GR 15.15
16th February, 2004

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

Dear Mr. Archbold

Re: Filing of C&W Adjusted FAC Model and Claim for Confidentiality

Cable and Wireless (Cayman Islands) Limited (“C&W”) is submitting to the Information and Communications Technology Authority (“Authority”) a copy of its Fully Allocated Cost model (the “Model”), as adjusted pursuant to the conditions of C&W’s Licence, in the form of two “zip” files containing Microsoft Excel spreadsheets.

Pursuant to Regulation 3 of the *Information and Communications Technology Authority (Confidentiality) Regulations, 2003* (the “Regulations”), C&W requests that the entire document and all the information it contains, be designated “confidential”, with the exception of the interconnection rates outputs of the Model. Further to Regulation 3(b), the information is financial information that is treated consistently in a confidential manner by C&W and is not otherwise publicly available. Further to Regulation 3(d)(i), disclosure of the information can reasonably be expected to result in significant financial loss to C&W, and significant financial gain to its competitors. Further to Regulation 3(d)(ii), disclosure of the information can reasonably be expected to prejudice the competitive position of C&W.

As noted above, C&W consents to the disclosure of the interconnection rate outputs, which, for convenience, are reproduced in the table below. These rates should be read in conjunction with the detailed service descriptions that are included in C&W’s indicative Interconnection Agreement.

	Set-up (per call) (CI\$)	Duration (per minute) (CI\$)	Interconnect t Specific (per minute) (CI\$)
Fixed Termination	0.0125	0.0096	0.0009
Fixed Transit	0.0125	0.0035	0.0009
Mobile Termination (if traffic is sent via a fixed transit network) ¹	0.0184	0.0924	-
Mobile Termination (if traffic is sent via direct Interconnection)	0.0184	0.0924	0.0009
Domestic Directory Enquiries	0.0125	0.3811	0.0009
International Directory Enquiries	0.0250	0.4498	0.0009
Emergency Calls	0.0125	0.0096	0.0009

Confidential financial information

Further to C&W's claim under Regulation 3(b), C&W notes that the Model contains detailed, disaggregated information about C&W's revenues, costs, depreciation rates, network structure, lines of business, internal system and organization, volumes and market sizes. C&W consistently treats such information as confidential, and does not release it to any persons other than those within the company who strictly need to know. As a non publicly-traded company, C&W does not disclose the details of its revenues to the public. C&W's financial information, to the extent any of it is released to the public, is only available in the annual reports and other financial documents of Cable and Wireless, plc, and only in a form that is aggregated with the information of other C&W-affiliated operators in the Caribbean region. C&W is not aware of any time during which it did not apply this treatment to its financial information.

Financial Loss

Further to C&W's claim under Regulation 3(d)(i), C&W notes that, if this information were disclosed to the public, the result would be significant financial loss to C&W, and significant financial gain to its competitors. C&W's competitors would gain significant insight into C&W's business, systems, and costs, and would gain a detailed

¹ There is no interconnection specific element in this termination charge because it is charged to the transit portion of the call.

understanding of C&W's strengths and weaknesses as a business. This would enable them to develop competitive business plans and strategies specifically targeted to avoid those strengths and exploit those weaknesses. This would be to C&W's significant financial loss.

Prejudice to competitive position

Further to C&W's claim under Regulation 3(d)(ii), C&W notes that disclosure of the information in the Model and of the Model itself would provide to C&W's actual and potential competitors detailed and disaggregated information about C&W's business, systems, employees and revenues. This information could be used by competitors and potential competitors to create marketing strategies that would more effectively target the most important and/or vulnerable of these lines of business. This information could also be used to more effectively target, and hire, key employees of the company.

Measures to prevent disclosure

As noted above, the Model and the information in the Model is not disclosed to the public, and is retained within the Finance and Regulatory divisions of the company. C&W acknowledges that it disclosed the Model during the negotiations last year that led to the July 10, 2003, Agreement between C&W, the Authority and the Governor in Cabinet of the Cayman Islands. However, such disclosure made in the context of confidential negotiations between the parties and was made on a without prejudice basis.

Competitive services

The Model addresses in greater or lesser detail all of C&W's lines of business. All of C&W's services are expected to be subject to significant competition, if they are not already competitive, as the Authority has licensed other parties in all such lines of business, and C&W is aware of the entry of a competitor in the high speed Internet services market, and of the serious and well-advanced plans by several other licensees to enter other telecommunications markets in the Cayman Islands in the very near future. Disclosure of the Model and the information in the Model would prejudice C&W in respect of all of the lines of business it currently serves.

Period of time

C&W is aware that the Model will be replaced in the short to medium term by a new model, the Forward-Looking Long-Run Incremental Model. However, the information in the Model will continue to be confidential and competitively sensitive even after implementation of the FLLRIC model. As such, C&W does not believe there should be a limit placed upon the period of time during which the Authority should not make the Model or the information in the Model available for public disclosure.

Disclosure is not required

The public interest does not require disclosure of this information (except to the Authority). As noted above, disclosure would significantly prejudice C&W. Further, disclosure to the public (other than the Authority) would exceed what is necessary for the Authority to protect the public interest. The Authority is fully qualified to review and to use the Model, for the purposes of regulating C&W's services and rates. It is not necessary for third parties to see the Model or any of the information in the Model for the Authority to carry out its statutory duties or to protect the public interest.

Redacted Version

Further to Regulation 4(1)(c) of the Regulations, C&W submits that a redacted version of the Model would be meaningless. Accordingly, C&W requests that the Authority file on the public record in place of a redacted version the attached statement as to the existence and general nature of the Model.

All of which is respectfully submitted this 16th day of February, 2004.

Yours sincerely
Cable & Wireless (Cayman Islands) Ltd.

Rudy B. Ebanks
Vice President, Regulatory and Carrier Relations

cc: Mr. Timothy Adam, Chief Executive – Cable & Wireless
Mrs. Lisa Agard, EVP Legal Regulatory and Public Policy – Cable & Wireless
Mr. Frans Vandendries, Senior Regulatory Advisor – Cable & Wireless