



Cayman's Bigger, Better Network.

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30<sup>th</sup> April 2012

Mr. David Archbold  
Information Communications Technology Authority  
P.O. Box 2502 GT  
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Grand Cayman

Dear Mr. Archbold

#### **ICTA Decision 2011-3 Follow-up Proceeding Disclosure Request**

The Authority stated in its letter of 19<sup>th</sup> April 2012 that

"  
*Digicel is now attempting to reargue an item on which the Authority has already made a determination, it is outside the scope of the follow-up process and the Authority will give no consideration to the demand information and alleged impact on the MTR that were filed by Digicel in this follow-up proceeding.*  
"

With respect we believe that this statement is entirely or substantially untrue. Digicel has not attempted to reargue an item on which the Authority has made a determination, rather Digicel is asking that the Authority abide by its own determination to use current traffic figures.

In its Decision 2008-2 on 31 July 2008 with respect to its Decision for the Costing Manual Consultation (CD 2005-1) in clause 119 the Authority states:

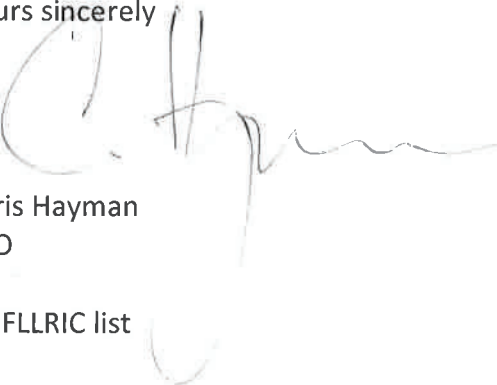
"  
*When calculating the unit cost of individual services existing demand must be used in the denominator.*  
"

This precludes the use of demand data in the model which is substantially different from current data.

The Authority itself has underlined that the traffic data now in the model is at best two years out of date. This indicates that the figures could be very different at this time, and indeed they are<sup>1</sup>. Given that any cost model is very sensitive to traffic assumptions as the Authority itself has underlined, no reasonable conclusions can in our view be drawn based on model outputs which use only old traffic data and entirely ignore current data. This was no doubt the reason for the Authority's determination to require the use of existing data. Further, we do not see that it would have made any sense for Digicel previously to have submitted pre 2010 traffic figures as the Authority has in fact suggested since those figures do not represent "existing demand". The 2010 data that was provided by Digicel to the Authority was submitted in order to highlight the downward trend in traffic by reference to the 2011 data, which as has been accepted by the Authority (and in any event is self-evident) could not have been provided by Digicel any earlier in this process. It would not be possible to exhibit a trend with respect to 2011 data without reference to older data.

We would also note at this time that the Authority appears to have tried to respond to Digicel's submission through what is essentially a response to LIME for a request for disclosure of information claimed by Digicel to be confidential. We find that somewhat odd. As the Authority is aware we raised a number of legislative grounds in our response underlining why more appropriate demand profiles had to be used. For example, Digicel raised issues pertaining to certain principles adopted by the Authority in the previous decisions and potential conflicts with the Act (section 36). These issues must in our view be dealt with via a full response to Digicel in direct reply to our letter.

Yours sincerely



Chris Hayman  
CEO

cc: FLLRIC list

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<sup>1</sup> For the avoidance of doubt we are not confirming that the 2010 figures were correct.