

**REPLY COMMENTS ON
PUBLIC CONSULTATION
ON
FTR AND TRANSIT RATE
(Ref: CD 2012-1)**

By E-mail to: consultations@icta.ky
21 October 2014



I. Introduction

1. Cable and Wireless (Cayman Islands) Limited, trading as LIME (“**LIME**”) is pleased to provide the following reply comments, in response to comments submitted by Digicel Cayman Limited (“**Digicel**”) on 30 September 2014 in this proceeding. Failure to address any specific point raised by Digicel should not necessarily be construed as agreement with Digicel. LIME is not aware of any other party having filed comments in this proceeding, and reserves its rights to comment on any that might be filed late.

II. Digicel’s Comments

2. In its comments, Digicel raised a single issue: it objected to the fixed FLLRIC module’s specification of two NGN switches to cost fixed termination and fixed transit services. Digicel contends that this two-switch assumption is inconsistent with the mobile LRIC model developed by the Eastern Caribbean Telecommunications Authority (“**ECTEL**”) that specifies a single mobile switch shared among the five ECTEL countries. Digicel’s conclusion is that “LIME should therefore be required to model costs for the Cayman Islands based on a single NGN switch.”

II. LIME’s Response

3. LIME disagrees with Digicel’s assertion that an optimized, forward-looking fixed network operating in the Cayman Islands is appropriately modelled using a single NGN switch. First of all, LIME’s fixed network in operation in the Cayman Islands today employs three switches—an NGN switch at One Technology Square in downtown George Town, a second NGN switch at the company’s High Rock location in the East End district, and a third circuit-based switch at its Bodden Town central office. Consistent with the FLLRIC model’s forward-looking optimization requirements, the circuit-based switch in Bodden Town is discarded, and the fixed network is specified to operate on the two NGN switches located at the opposite ends of Grand Cayman. Therefore, if the model’s optimized, forward-looking assumptions were to be modified to instead be consistent with the network’s existing construction, the fixed module would have specified three switches, not one.

4. Second, the risk of network failure is a realistic concern, especially in an island environment, subject to recurring, extreme weather patterns. The need to reduce this risk to a level that is appropriate for the country is why LIME’s fixed network operates today using multiple switches. Were LIME to operate using a single fixed NGN switch and that switch were

to malfunction, LIME would lose all telecommunications connectivity to the outside world. Furthermore, in the context of the FLLRIC modeling, where the international gateway function for both fixed and mobile operators is provided by the fixed network, a single fixed NGN switch would imply that a failure at that switch would result in the entire country losing connectivity to the outside world.

5. Third, the assumption of redundant switching in the fixed module is not only consistent with the actual operation of the LIME fixed network in the Cayman Islands, but is also consistent with best practice, both in the region and internationally. As LIME indicated in its response to interrogatory 45 of the Authority's 2nd set of interrogatories¹, and quoted by Digicel in its comments, LIME is not aware of a single bottom-up fixed LRIC model in use today that relies on a single switch and effectively subjects the national fixed network to such failure.

6. Finally, the requirement to use two fixed-network switches has already been considered and evaluated. It is identified in the FLLRIC model's costing manual and was determined by the Authority to be "a reasonable assumption" in its 2008 Phase 2 decision in this proceeding.² It would be inappropriate for the Authority to change fundamental assumptions at this late stage in the FLLRIC model development process.

X. Closing Remarks

7. Kindly send any communication in relation to this consultation to:

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¹ "LIME response to ICTA Fixed LRIC Interrogatories (2nd set)", filed on 31 July 2014, at page 65.

² ICT Decision 2008-2, *Decision for the Costing Manual Consultation (CD 2005-1)*, 31 July 2008, at paragraphs 274 and 305.