

September 28, 2007

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

Dear Mr Archbold,

**Re: Public Consultation on Costing Manual – CD 2005-1 – ICTA/Telecordia
Third Round Interrogatory - Responses**

I am writing further to the responses provided by Cable and Wireless (“C&W”) on 7 August 2007, in response to interrogatories issued by the ICTA/Telecordia on 10 July 2007 (ICTA/80/105/105-11).

The aforementioned response is redacted in part by C&W on the basis of the alleged confidentiality of cost and vendor information. Digicel requests disclosure of certain redacted information on the basis that it does not fulfil the definition of confidential information contained in The Information and Communications Technology Authority (Confidentiality) Regulations 2003 and/or its disclosure is justified in the public interest.

As previously stated by Digicel, visibility of the figures underlying C&W’s draft LRIC calculations is essential to facilitate the detection of possible cost misallocation between C&W’s fixed and mobile businesses. Further, without disclosure of this information it is impossible to establish whether C&W has complied with the incremental costing guidelines issued by the Authority in Decision 2005-4.¹

The areas where Digicel requires disclosure, together with the reasoning underlying the requests are set out below:

Paragraph 2.1.5

Digicel requests disclosure of “SumOfVALUE”, “LRIC Value”, “Percentage” and “Details” redacted values in section 2.1.5 of the 7th August Reply.

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¹ Moreover, even if the information was provided, the fact that the model is not generic and is not built by disinterested experts, makes it virtually impossible for Digicel to verify whether the models inputs are those of an efficient provider. The spreadsheets seems to involve many inputs from C&W’s list of own assets, assets values and OAM costs.

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Paragraph 2.2.1

The issue of assets lives is raised at paragraph 2.2.1. This seems to be a substantially incomplete list of depreciable assets. Digicel request full disclosure of the list of assets and their depreciation lives.

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Paragraph 2.2.2

Digicel requires disclosure of the redacted information shown in 2.2.2 on page 17.

C&W's response to Telcordia's question at 2.2.2 is not acceptable. The approach used by C&W regarding network management expenses will tend to contaminate the depreciation issue with the efficiency or otherwise of C&W's management decisions. For example, assume C&W chose the wrong management system and decided to change it in 3 years rather than a significantly longer period initially planned for. By being able to take this 3-year period as the depreciation period, C&W is allowed to offload the cost of poor management decisions onto its competitors. The redacted information would provide interested parties with the information that would allow them to gain further insight into this problem, potentially uncovering costs, which would be unacceptable to include in a cost model that was intended to, estimate the costs of an efficient operator.

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Paragraph 2.2.3

Stricken from record per ICTA letter of 8 November 2007

Digicel is committed to participating fully in the implementation of C&W's regulatory costing process; however, without disclosure it is unable to provide a meaningful response to the interrogatory. This is all the more important as (we understand) this most recent interrogatory response marks the end of the second phase of the development of the regulatory costing model.

Digicel therefore respectfully requests disclosure of the information outlined above and in accordance with the Authority's predisposition to allowing disclosure to affected parties⁹, is willing to sign any appropriate non-disclosure agreement, as the Authority may consider to be necessary.

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⁹ Paragraph 63 of ICT Decision 2005-4

Yours sincerely,

“SIGNED”

John Byrne
General Manager

Cc : David Laliberte, General Council, ICTA