

4 May 2010

Mr. David Archbold
Managing Director
Information and Communication Technology Authority
3rd Floor Alissta Towers
P.O. Box 2502
Grand Cayman, KY1-1104

Dear Mr. Archbold:

Re: Report of the Companies on LNP

Cable and Wireless (Cayman Islands) Limited, trading as LIME, on behalf of itself and of TeleCayman Limited and WestTel Limited (collectively, the “**Companies**”), is pleased to report to the Authority on the status of the activities of the LNP Consortium. This report is without prejudice to the rights of the individual Companies or other members of the LNP Consortium to submit to the Authority their views on the proceedings of the LNP Consortium, where they may differ from the following.

RFP Activities

During the month of April, the Consortium and its committees have held a number of meetings. At its meeting of 19 April 2010, the Consortium approved the form of the various documents for the Request for Proposals for the provision of central order handling and reference database services which were developed by the Legal and Contracts Committee. These include the RFP itself, the Non-Disclosure Agreement to be signed by prospective vendors and the indicative contract that the Consortium expects the prospective vendors to consider.

The final document which forms part of the RFP is the “Business Rules” document, which will govern the processes and interactions among the operators. This document was finalised by the Business Process Committee on 27 April 2010. It had been hoped that the Business Rules would have been ratified by the Consortium by 28 April 2010. However, Digicel Cayman Limited has indicated that they will not be able to do so before 14 May 2010. The Companies note, however, that the agreed plan of the Consortium had been to publish on 7 May 2010.

In the meantime, the Consortium has sent letters to a number of vendors inviting them to respond to the RFP once it is finalized, provided they have signed the Consortium’s Non-Disclosure Agreements beforehand. As of today, the Consortium has received six expressions of interest

and four signed NDAs. The Consortium has also advertised in the Caymanian Compass twice, on 23 and 30 April 2010.

Timing

The members of the Consortium had discussed in detail the timeframes for the various milestones of the RFP process. Prior to 29 April 2010, the Consortium had agreed the following schedule was aggressive but feasible:

	Milestone/Activity	Timeframe	Deadline
1	Solicit expressions of interest from selected vendors and advertise locally	Two Weeks	30 April 2010
2	Execute NDAs and publish RFP	One Week	7 May 2010
3	Receive questions from potential vendors	Two weeks	21 May 2010
4	Answer questions from potential vendors	Two Weeks	4 June 2010
5	Receive Responses to RFP	One Week	11 June 2010
6	Review responses and select vendor	Three Weeks	2 July 2010
7	Negotiate and execute contract with LNP service supplier	Four Weeks	30 July 2010
8	Install, test and integrate order handling and reference database equipment and processes	90 Days	28 October 2010

It should be noted that these timeframes are optimistic, and a number of them could be at risk. For example, the Consortium had assumed:

1. one week for vendors to prepare their responses to the RFP after receipt of our answers to their questions. This assumes they have started preparing their responses even before receipt of our answers. However, it is possible one or more vendors may ask for more time;
2. four weeks to negotiate and execute a contract with the selected vendor. However, even though we have provided an indicative contract, vendors might not be willing to accept it. This is likely to delay the negotiation process, as five sets of lawyers will be reviewing the draft contractual documents and SLAs. If this happens, the four-week estimate is at risk;
3. ninety days for installation, testing and integration of the solution with the networks of the members of the Consortium. We have based this estimate on a comment from a colleague in the Channel Islands who noted that, in one instance there, the whole process from signature of contract to “go-live” took ninety days. However, we have no basis for estimating the reasonableness of that estimate. If the vendor advises that a longer period of time will be required to source or install the equipment, or if the testing and integration work identifies unforeseen issues, the ninety-day estimate is at risk. There will be in particular significant interoperability testing on all the relevant network and ancillary

systems across the four operators' networks. This testing, implementation and integration phase could well take 180 days instead of the 90 days indicated in the table above.

In other words, a 1 November 2010 "go-live" date for LNP in the Cayman Islands is optimistically aggressive and depends on a number of activities occurring without issues. If each of the three activities highlighted above were to be extended by only two weeks, the "go-live" date would itself be extended into the middle of December. From a practical perspective, all telecommunications operators, including those here in the Cayman Islands, "freeze" their networks ahead of and during the Christmas season, and delay any network changes until after the season is over. Local Number Portability would be a significant network change and, given that the service effectively renders all operators dependant on the quality of service provided by the others, this means any issues that emerge would affect the customers of all operators. Operators in this country are also aware that successful testing prior to commercial launch does not always identify all problems or issues that might arise once a system is handling commercial loads. For this reason, the Companies recommend that LNP not be implemented during any network freeze.

On 29 April 2010, Digicel indicated that they would require additional time to complete their review of the Business Rules, notwithstanding that they had the draft Rules since 30 March 2010 and had fully participated in the proceedings of the Business Process Committee, and proposed a different set of dates for almost all of the milestones and activities shown in the table above. While the Companies appreciate the uncertainties around the date by which LNP can be implemented in the Cayman Islands, the Companies do not want to compound that uncertainty by delaying the publication of the RFP. Accordingly, the Companies propose to issue the RFP to eligible persons on 7 May 2010, as previously agreed. However, the Business Rules will be published in draft form, and updated as required following review by Digicel.

Request for an Extension of Time

In any event, it has become clear to the Companies that the 30 June 2010 deadline mandated by the Authority in ICT Decision 2008-5 is at risk. Based on the above, the Companies request that the Authority grant them an extension of time to implement Local Number Portability.

The Companies view a reasonable and likely deadline, given the progress to date, to be 28 February 2011. While the foregoing discourse suggests an "optimistic" estimate of 1 November 2010, as noted, this estimate incorporates a number of material risks of delay. Further, the "network freeze" means any delay into December will in practice delay implementation into 2011. Accordingly, the Companies request that the Authority grant an extension of time to implement LNP to 28 February 2010.

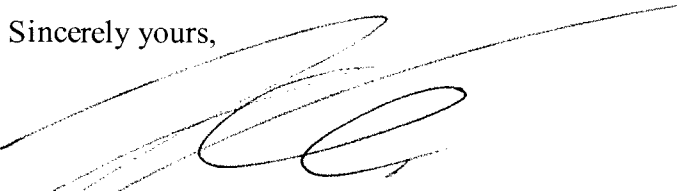
Request to Present to the Board of the Authority

The Companies would welcome the opportunity to present to the Board of the Authority the recent and upcoming activities of the Consortium, as well as on the assumptions and reasons for

the timeframes estimated above. We look forward to being able to do so at the convenience of the Board.

We would be pleased to answer any other questions the Authority may have.

Sincerely yours,



Frans Vandendries

VP, Legal, Regulatory & Corporate Affairs – Central Services

LIME

c.c. Donald Austin, EVP, Legal, Regulatory & Corporate Affairs, LIME
Camille Facey, VP, Legal, Regulatory & Corporate Affairs – Jamaica/OFC
Members of the LNP Consortium (Digicel, LIME, TeleCayman, WestTel)