

July 1, 2010

In an effort to ensure the consumer has real choice and flexibility for voice telephony services, Local Number Portability ("LNP") is the next step in the Cayman Islands for consumers to gain a further "benefit of competition" with regards to voice telephone services. In order to achieve this end, there are associated CAPEX and operating costs that will have to be absorbed by the locally licensed carriers to provision LNP for the consumer. It is Telecayman's belief that the consumer should not be overly burdened by the 'associated costs' in order to have a choice in selecting their voice service provider. Additionally, carriers with smaller subscriber bases should not be disproportionately burdened with the expense of implementing and maintaining LNP as mandated by the ICTA.

The ICTA had setup guidelines for the amounts to be charged to consumers as:

Up to \$0.20 per month per line for ongoing costs plus up to \$0.65 per month per line for start-up costs.

With this in mind, Telecayman, believes that the best way to spread the cost of LNP is via an across the board per line charge per subscriber.

As an example:

At year end 2009 there was 36,151 fixed lines and 108,699 mobile handsets in service. The total of fixed and mobile lines/handsets was 144,850.

It is estimated that LNP may have an ongoing cost of US\$ 18,000 per month and a start up cost of US\$ 750,000. Using these estimated numbers, the estimated cost to consumers would be:

Monthly charge for ongoing costs: $18,000/144,850 = \text{US\$ } 0.1243$ which is approx. CI\$ 0.10 per month.

Monthly charge for start-up costs for 1 year recovery: $750,000/144,850 = \text{US\$ } 0.432$ which is approx. CI\$ 0.36 per month.

For a 3 year recovery the monthly charge for startup costs would be approx. CI\$ 0.12 per month (plus the cost of financing).

TeleCayman firmly believes this is the only fair method of distribution of the expenses associated with LNP. TeleCayman believes that all subscribers, regardless of their selected carrier of choice, should not be adversely disadvantaged by variations in carrier subscriber bases. Any other method of allocation of CAPEX and operating expenses will eliminate any potential revenue benefit for the smaller licensed carriers.

TeleCayman welcomes the opportunity to participate in further discussion with regard to the above and would also welcome the opinion of the ICTA on how it envisions the allocation of expenses and implementation of LNP.

Respectfully yours,



Robert Kanner

Dir. Operations

Telecayman Ltd.