



Government of Bermuda
Ministry of Economic Development

OFFICE OF THE MINISTER

February 10, 2017

Ms. Angela Berry - Chairman
Regulatory Authority
Craig Appin House (1st Floor)
8 Wesley Street
Hamilton HM 11

BY EMAIL

Dear Ms. Berry:

Universal Broadband Service Provision

As you are aware, as the Minister responsible for Telecommunications, I may from time to time request that the Regulatory Authority assist me in formulating and implementing policies and regulations as necessary for the efficient and effective delivery of telecommunication services, including universal service provisions and funding pursuant to Part 6 of the Electronic Communications Act 2011 (the "ECA").

Also, as per Section 32 of the ECA, I may make general policies and, as necessary, regulations concerning the provision of universal service by one or more providers of public electronic communications, including;

- a) The types of services that shall be subject to mandatory universal service provision;
- b) Whether any particular type or group of users should be eligible for certain universal services pursuant to social tariffs, and
- c) The sources of any special funding for the provision of these services, if required, and the basic framework of any funding scheme that may be deemed necessary, in accordance with Section 34 of the ECA.

Therefore in accordance with Section 33 of the ECA, I request that the Regulatory Authority provide assistance in formulating and potentially implementing a universal broadband service obligation with a specific level of broadband download speed(s) that applies to specific types of customer.

I note from your letter of January 16, 2017 that typical best-practice for a Government (and/or regulator's) assessment of potential universal service obligations relating to broadband, should include a specified target download speed as the focus of analysis and consultation. In this context, the Authority has recommended that:

- i) A 50Mbps broadband download speed be the target for consultation, with such a universal broadband speed obligation potentially being mandated on BTC and One Communications (including the Logic and Cablevision ICOL license holders); and that
- ii) The consultation should also assess whether any such potential broadband service obligation mandated upon specified operators should apply to the services provided to all residents, businesses and Government owned entities (e.g. schools and Government offices) within Bermuda and to 100% of the geographic coverage of Bermuda.

I concur and agree that the Authority should, in carrying out its functions as per Section 33, pursue its analysis and consultations with all sectoral participants with respect to the above noted recommendations.

Finally and with regard to Section 34 of the ECA, the Authority may, on its own initiative, and upon request of the Minister, prepare a report, following public consultation, that assesses whether the establishment of a funding scheme (contributed to by relevant operators) to support or promote the provision of universal service is necessary and proportionate. I note in your letter of January 16, 2017 that the Authority is ready to commence such work and produce such a report, specifically as to whether a funding scheme is necessary. I therefore request that the Authority commence this work, accordingly.

Yours sincerely



Dr. the Hon. E. Grant Gibbons, JP, MP
Minister of Economic Development

Cc Mr. Matthew Copeland - Chief Executive of the Regulatory Authority
Permanent Secretary of the Ministry of Economic Development