



Government of Bermuda

Ministry of Economic Development

Ministerial Statement

To the House of Assembly

By

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Minister of Economic Development

UNIVERSAL BROADBAND SERVICE PROVISION

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Mr. Speaker, 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 broadband service provision and funding pursuant to Part 6 of the Electronic Communications Act 2011 (the 'ECA').

Mr. Speaker, universal broadband service, also known as 'universal service obligation' refers to government efforts to ensure that all citizens have access to a basic level of Internet service at an affordable rate.

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

- a) the types of services that shall be subject to mandatory universal 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.

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

Mr. Speaker, typical best practice for a Government and /or a regulator's assessment of potential universal service obligations relating to broadband, should include a specific target download speed as the focus for analysis and consultation. In this context, I have recommended that:

- i. a 50 mbps (megabits per second) broadband download speed be the target for consultation, with such a universal broadband speed obligation potentially being mandated on BTC and One Communications including Logic and CableVision ICOL license holders);
- ii. the consultation should also assess whether a potential broadband service obligation should apply to the service provided to all residents, businesses and Government-owned entities (such as schools and Government offices) within Bermuda and to 100% of the geographic coverage of Bermuda.

Mr. Speaker, the Authority should, in carrying out its functions, pursue its analysis and consultations with service providers with respect to the recommendations noted above.

Mr. Speaker, I have requested also, that the Authority, following public consultation, prepare a report 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 as per Section 34 of the ECA.

Mr. Speaker, one might ask the question, "How would the public benefit from a universal broadband service provision?"

Mr. Speaker, faster and more widely available broadband is considered an important opportunity to improve education, communication and public participation in a country's affairs. One of our main goals to provide universal broadband service is to narrow the 'digital divide' in our island between those who have access to the Internet and those who do not. Typically, seniors, people on low incomes, the unemployed tend to have lower rates of broadband use at home.

Mr. Speaker, Finland was the first country in the world to establish a universal broadband service as a general right of citizens in 2009. Also in 2009, the United Kingdom announced a universal service commitment of 2 mbps in 2012 for every home in Britain. In 2016, Canada announced a universal service obligation of 50 mbps by 2021.

Mr. Speaker, The Regulatory Authority is ready to commence the public consultation on a universal broadband service provision for Bermuda and to produce a report on the necessity of a funding scheme to support that obligation.

Thank you Mr. Speaker.