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Utility Regulation and Competition Office

MEDIA RELEASE

BETTER BROADBAND IS COMING - OFREG

GRAND CAYMAN, CAYMAN ISLANDS; 22 March 2018

The successful development of Cayman's digital economy is dependent upon the availability of a superior broadband infrastructure across all of the Cayman Islands, says OfReg, the regulator of information communications technology (ICT).

The question to be asked then, is: "*How does Cayman define broadband?*"

The Definition of Broadband:

OfReg has released a consultation paper '*ICT 2018 – 1 – Consultation – A Broadband Policy for the Cayman Islands*' (available at www.ofreg.ky) that discusses the current digital economy in Cayman and provides an updated definition of broadband that will dictate the minimum standards internet service providers (ISPs) will need to provide across all areas of Grand Cayman and the Sister Islands within three years to ensure that the digital needs of the Cayman Islands are being met now and into the future.

The proposed new definition states that "Internet Service Provider licensed ICT service providers must offer broadband Internet access services to all residents of the Cayman Islands, defined as services with download speeds of 100 Mbps (megabits per second) and upload speeds of 50 Mbps or higher, with at least one of their broadband service plans at this speed or higher offering an unlimited data allowance."

Alee Fa'amoe, Deputy CEO and Executive Director of ICT at OfReg elaborated: "The digital economy is continuing to transform the way we live, work and interact with one another and Cayman's ICT infrastructure needs to accommodate this ever-increasing dependency on digital technologies. Consumers also need to have clarity on what they are paying for and this new definition holds the ISPs accountable for delivery of that requirement."

To ensure that the new requirement is as "future proof" as possible, a detailed examination of equivalent definitions in Canada, the UK, the EU and the USA were undertaken, with the findings presented in the consultation paper.

Delivering Broadband:

Once we have defined what broadband is, the next question is: "*How do we ensure broadband is made available to all consumers?*"

Globally, service providers are moving away from old ADSL systems based on copper pairs towards fibre optic systems which are far more capable of delivering the higher speeds demanded by broadband customers.



In anticipation of the need to provide this kind of infrastructure, when their original licenses were issued years ago, telecommunications providers were required to deploy fibre optic networks island-wide. Unfortunately, this has not happened.

The broadband consultation paper clearly details the failure of Cayman's telecommunications providers in meeting their obligations to date under their current licenses to provide fibre optic cable systems island-wide. It also illustrates that had these services been delivered as required, Cayman consumers would have realised the benefits of such infrastructure as early as 2006. However, the paper does point out that clarity is now required to guide ISPs on what the new 'broadband' and 'fibre optic cable network' requirements are.

"It is entirely possible that a service provider may be reluctant to build their network into an area that is sparsely populated," said Fa'amoe. Again, this is not an uncommon problem. In other countries, special funding mechanisms are created to ensure services are delivered to citizens who live in rural areas. Such networks, sometimes called a "Universal Service Network" or USN, are typically a form of a shared network. Mr. Fa'amoe described why this is an option worth considering: "While OfReg sees itself as a 'light-touch' regulator, all regulators have a duty to intervene where the market fails. In this regard, the competitive telecommunications market has failed to deliver ubiquitous fiber optic cable networks across the Cayman Islands, despite licence obligations to do just that. Once this new definition of broadband is finalised, if we as the regulator feel, that the local providers are unable or unwilling to build out their networks to meet the specified targets, OfReg is willing to leverage its powers under the URC Law to build a USN to achieve the desired end result." On 16 March 2018, Hon. Alden McLaughlin announced the Government's intention to build a USN in the Legislative Assembly and expressed his desire to cover Grand Cayman within 18 months. OfReg, in light of the Premier's recent announcement, has been formulating a plan and considering timelines for the installation of the USN accordingly.

Any responses to, or comments on the consultation paper, which is available at www.ofreg.ky should be made in writing to OfReg by 5:00 pm on 18 April 2018; by email to consultations@ofreg.ky; by post to Utility Regulation and Competition Office at P.O.Box 2502, Grand Cayman KYI-1104; or delivered by hand to the OfReg office at Alissta Towers, 3rd floor, 85 North Sound Road.

OfReg expects to issue a Determination on the issue by the end of the 3rd quarter of 2018.

ENDS

For further information or to schedule an interview, please contact:

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PRESS NOTES

The Utility Regulation and Competition Office ('OfReg') is the independent regulator for the electricity, information and communications technology, water, wastewater and fuels sectors in the Cayman Islands. OfReg also regulates the use of electromagnetic spectrum and manages the .ky internet domain.