



Ministerial Statement

By

The Hon. Walter H. Roban, JP, MP

Minister of Home Affairs

Friday, 27th September 2019

‘Submarine Cables’

Mr. Speaker, earlier today I laid before the House the following Bills for Consultation entitled: (1) ‘Submarine Cables Permit and Licensing Act 2019’; (2) ‘Submarine Cables (Protected Areas) Act 2019’; and (3) ‘Submarine Cables (Protected Areas) Order 2019’

Mr. Speaker, this new and innovative legislation provides a strong regulatory framework to introduce this potentially valuable sector to the island. This initiative is in keeping with the Government’s pledge for Bermuda to become a technological hub of the future, attracting those within the submarine cable industry to use Bermuda as a transit location that would generate an additional revenue stream for Bermuda’s economy and ensure existing and new local cables were protected and secure. Further the legislation identifies specific timelines to ensure efficient

processing of applications by the Regulatory Authority. This provides certainty and stability to the industry, further making Bermuda an attractive location.

Mr. Speaker, submarine cables are essential to the world's economies and are a vital component of a country's national infrastructure, linking one country to one or several others. Submarine networks carry more than 95 percent of the world's intercontinental electronic communications traffic. Due to their high cost and usefulness, they are considered critical infrastructure to governments and corporations operating, supporting, and using them. Landing and operating significant systems in some jurisdictions has become increasingly difficult and lacks a single landowner or a single marine spatial planning regulator. Countries that have shorter and more certain timeframes for the permitting process are being sought and are becoming much more attractive.

Mr. Speaker, at this juncture, I would like to provide a brief outline of what this legislation is intended to accomplish:

The Submarine Cables Permit and Licensing Act 2019 provides for the following:

- a) Permits to install the submarine cables;
- b) Establishing the Regulatory Authority as the regulating body;
- c) Creating permissions and conditions for applying for and approving the installation of submarine cables;

- d) Creating licences (1) to operate the cables and (2) to lease the cables;
- e) Providing for compensation for loss
- f) Providing for regulation making powers

The Submarine Cables (Protected Areas) Act 2019 provides:

- a) Rules for establishing new protected areas;
- b) Remedies and offences when a submarine cable is damaged or restricted activity is carried out in the protected area;

The Submarine Cables (Protected Areas) Order 2019:

- a) Identifies the coordinates for the cable protection zone represented by a table and illustrated on a map of the area;
- b) Identifies restricted and prohibited activities within the protection zone and the relevant conditions and offences

Mr. Speaker, the Submarine Cable Protection Zone is an important step in the marketing of Bermuda in the submarine cable space. A submarine cable protection zone represents industry best practice and demonstrates that we are working on policy and planning to support and promote the industry objectives. A protection zone affords protection and certainty; both are very important in the choice for locating and operating a system. It is important to note that the protection area designated by the ‘Submarine Cables (Protected Areas) Order 2019’ already contains three submarine cable systems – Globenet, Gemini and Challenger. The key for

international business cables is certainty of process and ease of access. The proposed Bills provide this.

Mr. Speaker, from this platform we will be able to use this material to promote landing submarine cables into Bermuda. Large Technology companies are currently building submarine cable systems that go past, but do not connect into, Bermuda. We are hoping to highlight to these companies the opportunity to do a branching unit from those planned systems into Bermuda, creating economic substance with significant infrastructure and thus supporting any Intellectual Property company assets that are located in Bermuda.

Mr. Speaker, in regards to the current configuration of the proposed Submarine Cable Protection Zone. The shape of the zone has been developed as a result of a desktop survey carried out by international EGS Survey commissioned by the Bermuda Business Development Agency. EGS Survey specializes in providing global specialist multi-disciplinary marine survey support, to the Gas, Telecommunications, Energy & Renewables and Marine Infrastructure market sectors.

As part of the desktop survey, input was sought from major stakeholders of the marine environment including the Department of Environment and Natural Resources, Marine and Ports, Energy, Planning as well as the Estates Section of the Ministry of Public Works. Comment was also sought from the Marine Resources Board, Commercial Fisheries Council, Historic Wrecks Authority, as well as dive boat operators.

Mr. Speaker. this comprehensive report looked at all of the factors required to develop a submarine cable sector most notably Bermuda's geology, existing and potential landing sites, hazards and restrictions, and cable engineering. It also addressed challenges a cable protection area would have on Bermuda's ecology, benthic habitat, protected species, as well as the commercial fishery and diving sectors.

Mr. Speaker, the result is a single area that incorporates all the existing deep water submarine cable routes and which is designed to have as minimal impact on current and future use of the area while allowing sufficient scope for the development of the submarine cable sector to the best industry standards.

Mr. Speaker, the Bermuda Development Agency is currently focused on promoting Bermuda as an Atlantic Digital Hub for interconnection of cables. There is currently no Atlantic hub and, because of our unique, prime geographic location, Bermuda is a logical choice to become that hub. By comparison, the Pacific Ocean has 3 hubs; Guam, Hawaii and Fiji. This is the focus of these "transit cable systems" market opportunities.

Mr. Speaker, this legislation will put Bermuda back on the submarine cable industry map by promoting Bermuda as a jurisdiction of choice for submarine cable companies to have their head office located here. Honourable Members will be aware that companies like Southern Cross Cable Network and Australia Japan Cable currently have their head

office located in Bermuda. These companies have people on the Island, employ Bermudians, and use our head office support services. We aim to attract similar submarine cables to the island.

Mr. Speaker, It is intended that the Bills will be tabled for consultation for two reasons; Firstly to highlight to the industry the Government's intention to compete in this valuable business. Secondly, because the industry and legislation is new to Bermuda, it is intended to obtain comment from those stakeholders within the industry. The consultation would continue for the month of October after-which any amendments will be made and the final versions of the Bills will be laid in the legislature in November.

Mr. Speaker, lastly I would be remiss if I did not recognize the efforts of the team responsible for producing this legislation. I must state that the drafting of the legislation was a collaborative effort by the Ms. Fiona Beck of the Bermuda Development Agency, Mr. Denton Williams and Ms. Monique Lister of the Regulatory Authority, Mr. Drew Pettit of the Department of Environment and Natural Resources and Dr. Anthony Richardson of the Attorney General's Chambers.

Thank you, **Mr. Speaker**