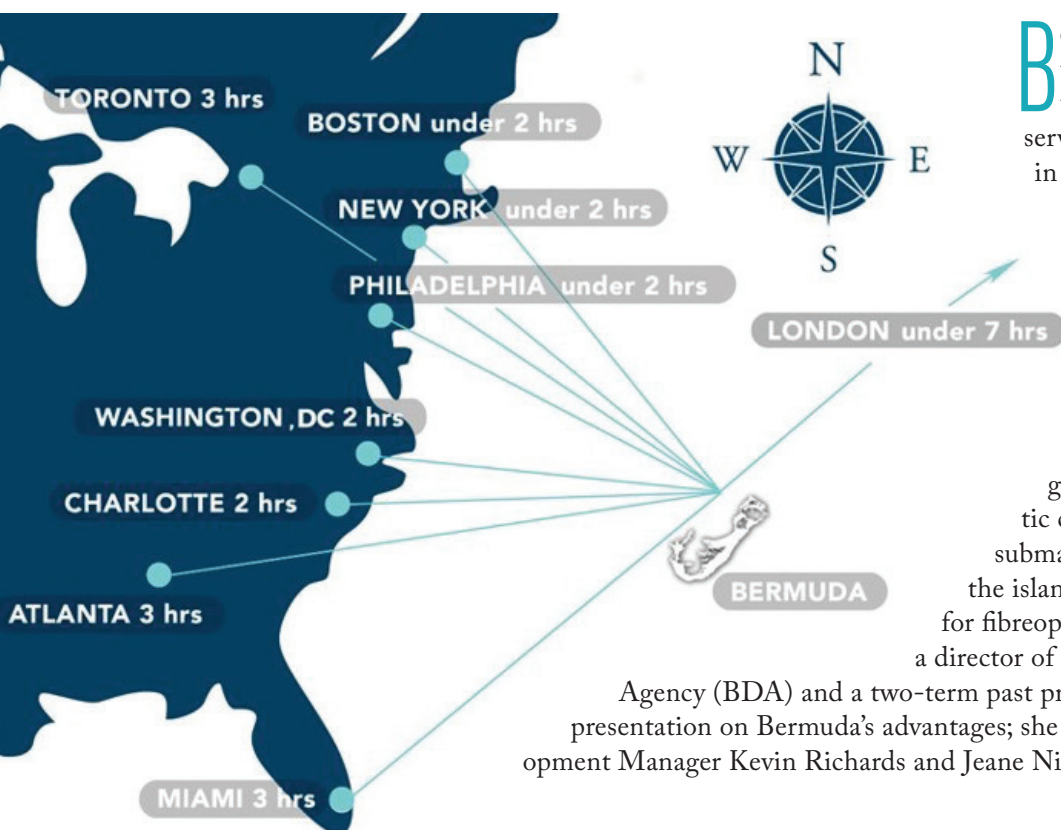


BY FIONA BECK

# GRAND PLANS ATLANTIC DIGITAL



Bermuda has demonstrated it knows how to build a world renowned reputation in the fields of insurance and financial services. It's now looking to do the same in telecommunications and technology.

Specifically, the island is driving plans to develop a subsea telecommunications corridor that would not only support industry best practices, but also provide critical connectivity to advance its own infrastructure and drive economic diversification.

For the first time, a Bermuda delegation attended the high-profile SubOptic conference in April to meet the global submarine cable industry and to promote the island as a strategic Atlantic landing hub for fibreoptic cables. Attending was Fiona Beck, a director of the Bermuda Business Development

Agency (BDA) and a two-term past president of SubOptic, who delivered a presentation on Bermuda's advantages; she was joined by BDA Business Development Manager Kevin Richards and Jeane Nikolai, Director of Telecommunications





# BERMUDA'S SUBSEA CABLE CORRIDOR INITIATIVE

# ATLANTIC PORT

and Energy for the Bermuda government, which is working in partnership with the BDA to progress the national subsea corridor initiative.

“The delegation promoted Bermuda as an Atlantic hub, a digital port if you like, for the interconnection of fibreoptic cables that are currently being built by some of the world’s largest tech companies,” says Bermuda’s Premier David Burt, whose government plans to table legislation later this year to create a dedicated fibreoptic corridor, with the aim of attracting new cable business and boosting connectivity. “Our government promised to diversify Bermuda’s economy, and this initiative, which the Cabinet has endorsed and is progressing through legislation, has the potential to create economic growth and jobs in Bermuda, as a link point for many new technology companies.”

The effort builds on research overseen by Beck and carried out at the BDA in the summer of 2018 by Notre Dame University’s Thomas Tran and Bermudian Tyrese Coakley whose report indicated a cable protection zone in Bermuda waters could help the island become a hub for trans-Atlantic fiber optic links. Kansas native Tran also attended SubOptic 2019 to present his follow-up white paper on the Bermuda project after it was accepted for peer review.

More than 97 percent of the world’s information passes

through cables, making them indispensable for connected societies and business centres. Bermuda’s location creates a logical stopover for cables between the Americas, Western Europe and Africa. While the island already hosts three cables, a dedicated corridor and Bermuda’s focus on the submarine community and their assets would attract more and would further develop best practice.

## SO WHY SHOULD COMPANIES THINK ABOUT BERMUDA?

1 Many planned trans-Atlantic systems are set to bypass Bermuda. However, those systems are owned by companies who now need to fulfil Europe’s new economic substance requirements. Branching units to Bermuda can provide key significant infrastructure to satisfy those requirements and support the IP assets those companies may locate in Bermuda.

Importantly, infrastructure via submarine cables also encourages network diversity and activity for major tech companies, making Bermuda a digital port for the likes of Google, Apple, Facebook, Microsoft and Amazon. This along with spinoff opportunities such as cloud computing, data storage and nearshore personnel resourcing only serves to further economic substance in this jurisdiction.

Interestingly, there presently exists no Atlantic hub for telecoms cables and Bermuda is realistically the only island nation that could deliver such a platform thanks to its geographic location. The Pacific currently has three hubs: in Guam, Hawaii and Fiji. A Bermuda hub would have the additional advantage of data-privacy; a Bermuda landing point would conveniently ensure that only data needing to enter onshore jurisdictions, such as the United States, would actually land in that country.

“It would likely prove a win-win for everyone—for Bermuda and those tech companies that took advantage of a corridor and economic substance like this,” says Beck. “It certainly represents a timely opportunity that could help position Bermuda as a point of major strategic benefit to these submarine projects. It could also prove advantageous in the drive to diversify the island’s economy and support international business and fintech.”

2 Today, Bermuda’s insurance sector is one of the world’s largest hubs, second only to Lloyd’s of London. In 2009, Bermuda was the first international financial centre to be included on the OECD’s white list of countries deemed largely compliant with international standards of transparency and effective exchange of information. And it was one of just two non-European Union jurisdictions to win full equivalency under Europe’s Solvency II Directive regulating insurers.