



Bermuda Digital Communications Limited

CONFIDENTIAL

August 30, 2010

Hiram Edwards
Department of Telecommunications
F.B Perry Building, 2nd Floor
40 Church Street
Hamilton HM 12
Bermuda

Dear Mr. Edwards:

Re: REPLY Comments on Draft Telecommunications Regulatory Reform Legislation

Bermuda Digital Communications Ltd. ("BDC"), a leading provider of wireless services, replies to initial comments addressing the draft Regulatory Authority Act 2010 ("RAA") and draft Electronic Communications Act 2010 ("ECA").

Most of the comments filed to date generally support the regulatory reform measures set forth in the draft RAA and ECA, while proposing specific revisions and raising several discrete issues. BDC believes that most, if not all, of these outstanding issues are manageable and should be addressed expeditiously to allow enactment of the RAA and ECA without further delay. Comprehensive reform of the existing telecommunications regulatory framework, which has been in place without substantial modification for 25 years, is long overdue and crucial to ensuring a vibrant, competitive marketplace. More importantly, the people of Bermuda cannot reap the benefits of the proposed regulatory reform until the draft RAA and ECA are finalized and enacted.

BDC takes this opportunity to highlight two important issues requiring immediate consideration. First, the commenters to the draft Bills overwhelmingly agree that the various proposed fees, including universal service contribution, regulatory, and license fees, require clear limits and, without further modification, could have a serious negative impact on existing and new services, competition for services, and ultimately consumers. The comments filed to date reflect a strong consensus that,

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at a minimum, the various fees must be justified and supported by a full accounting of the costs that the fees are intended to recover.

Second, local number portability (“LNP”) is vital to any meaningful regulatory reform and to the further development of new and additional competition and investment in Bermuda. It will also eliminate a barrier that customers face when considering the best service provider and plan for their needs, thus providing consumers with increased flexibility and choice as well as stimulating competitive product offerings. Accordingly, the highest priority should be given to implementing LNP as soon as possible, and a specific schedule for implementing LNP should be established.

BDC reiterates its full support of the government’s efforts to update and reform the existing telecommunications regulatory framework. In view of the urgent need for regulatory reform and the significant benefits that consumers stand to gain, BDC urges prompt adoption of the draft RAA and ECA, with minor modifications.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kurt Eve', with a long horizontal stroke extending to the left.

Kurt Eve
CEO
Bermuda Digital Communications Ltd.