



September 30, 2013

Philip Micallef
Chief Executive
Regulatory Authority
3rd Floor Cumberland House
1 Victoria Street
Hamilton, HM 11 – Bermuda

Dear Mr. Micallef:

Re: Response to Consultation Email Portability C13/1000

We are writing today to provide comments regarding the proposed legal amendments for the provision of temporary, free-of-charge email forwarding services put forward in the Consultation Document dated August 6, 2013. Logic Communications Ltd. (“Logic” or the “Company”) provides the following comments:

1. Logic agrees with the Regulatory Authority (the “RA”) that individuals and businesses depend heavily on their email addresses as a vehicle for their communications with the larger world.
2. The Company notes the RA’s determination that the “loss or change of an email address could be a major setback.” The Company also notes the RA’s assertion that “individuals and businesses who obtain an email account from their ISP are forced to remain with their existing ISP, or to pay for the retention of a stand alone email account, thus creating a barrier to change ISP.” As a result, the RA is proposing the implementation of “legal measures and a possible technical solution” as a remedy to “to guarantee the continuation of email service to both subscribers and the business community.”
3. In September 2013, the RA (in conjunction with Mindmaps, a market research firm) completed research entitled “Bermuda Broadband Market Study – Research Results” (the “Broadband Study”). It should be noted that not all of the survey information was contained in the presentation provided (e.g. sample selection criteria, text of the actual survey questions, etc.), and as a result it is difficult to confirm the validity of the findings. However, since it forms part of the RA’s knowledge base, it should have some bearing on the RA’s final determinations in this of the matters at issue in this Consultation.

4. The Broadband Study contained the following findings:
 - a. 62% of residents surveyed (sample size was 400) would “switch providers if the monthly cost of internet service could decrease by 20%”; of the remaining 38% (or 104 respondents) who said they would not switch, 33% (or 34 respondents) cited the reason that they were happy with their provider, and only 8% (8 respondents) said it was because they did not want to change their email address.
 - b. “Just over three quarters of residents (77%) do not think it is difficult to switch Internet Service Providers”; of the 45 respondents who thought it was difficult to switch internet providers, 55% or 24 respondents cited the reason it was difficult was because they could not change their email address
 - c. 19% of residents report that they have switched in the past 2 years
 - d. 11% report they are likely to switch providers in the next 6 months
 - e. On a scale of 10, where 10 is Very Satisfied, the Total mean satisfaction rating was listed as 7.48; 77% rated their satisfaction level at 7 or higher, 91% rate their satisfaction at 5 or above, and the remaining 8% rate their satisfaction at less than 5 on the 10 point scale
 - f. Of the 112 respondents (out of 400) who were aware of the RA, 6% (or 6 respondents) thought the purpose of the RA should be to “Simplify internet service (eg. Allowing same email when changing, bundling services, merging providers, etc.)
 - g. The margin of error for the study was +- 4.9%
5. Logic is of the view that the opinions of each and every customer are important and should be considered. However, based on the results of the RA’s Broadband Study, there appears to be very little customer demand for the remedies being considered in this Consultation.
6. Logic submits that the market is working in this instance. Customers are generally satisfied with their ISP services. While the record of all providers is not perfect, and dissatisfaction exists (notably in respect of price), such facts are completely normal in a functioning competitive market. In fact, they signal an opportunity for the basis upon which players can compete. Competition for customers is clearly possible, as customers informed that they have switched ISPs, and that they do not think it is difficult to switch ISPs. A significant percentage has signaled that they plan to switch providers in the near future. There is no strong evidence that regulated email portability is required for customers to be empowered to switch.
7. Logic submits that no-cost services like hotmail, gmail, yahoo mail (and many other lesser known companies) are widely available. They provide an ISP agnostic email account for all customers who are willing to accept their respective terms and conditions. Bermudians also receive email addresses from their schools, and their work, and other organizations to which they belong. If the remedies being considered are implemented, should the regulated portability apply to all of the above?

8. Logic submits that individuals and businesses are all free to secure a domain of their own and pay a minimal fee to have more customized email services on those domains. Such email arrangements are widely available from companies like GoDaddy, Lunarpages, and the like. While the complexity of starting a personalized email service is greater, the availability of this kind of ISP-agnostic service should not be ignored.

9. The RA's governing statute requires that, among other things, it should rely on market forces, where practicable; that it should act proportionately; and that it should act only in cases in which action is needed.

10. In that regard, based on research conducted by the RA, and based on the facts of the marketplace, market forces are working to provide a variety of email services that clearly satisfy the vast majority of customers. Any attempt to intervene in the market provision of this service would be disproportionate to the need, as providers would be required to offer services that the vast majority of customers do not cite as important for them. Respectfully, Logic submits that the RA does not need to take action in respect of email portability.

With great affection,

Vicki Coelho
CEO
Logic Communications Ltd.