# Holding Islands Hostage

**A discussion about various aspects of the exclusive telecommunications licence in the Falkland Islands.**

## A six-part OpenFalklands Series

**Please distribute as many as you wish!**

**July 2025**

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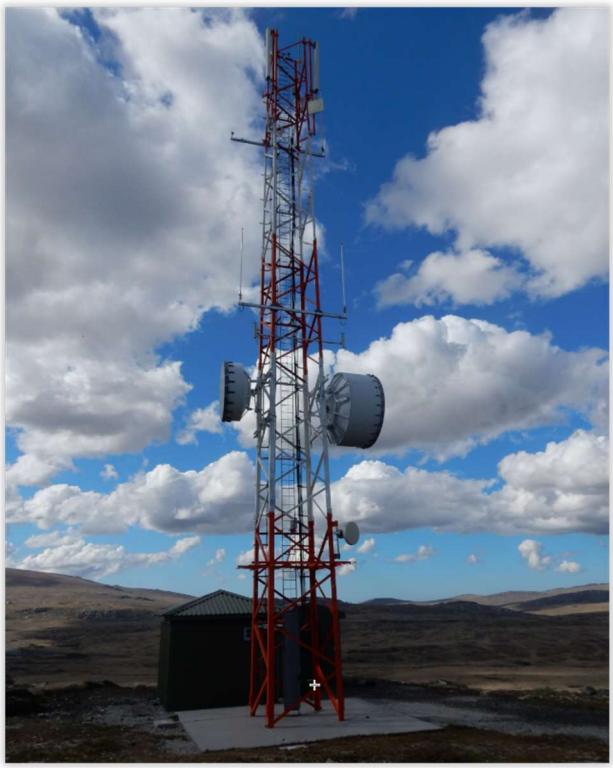


# Contents

# Overview: *Holding* Islands *Hostage* Series

The *Holding Islands Hostage* series is a six-part investigation into the state of telecommunications in the Falkland Islands, focusing on the consequences of Sure South Atlantic's long-standing monopoly. With exclusive rights to provide fixed and mobile services until 2027, Sure's position has limited infrastructure development, kept broadband costs high, and delayed meaningful improvements, especially in Stanley and rural areas.

Part I introduces the problems caused by the monopoly, while Part II highlights a 112-day service announcement delay and a lack of communication from Sure, raising concerns about accountability. Part III explores what might follow the expiry of Sure's licence, including the entry of new providers like Starlink. In contrast, Part IV examines how future Universal Service Obligations (USOs) could ensure fair access to all residents.

Part V scrutinises Sure's financial transparency, questioning claims of limited profitability and resilience in the face of future competition. The final post, Part VI, challenges stakeholders to take bold action to end monopoly control and establish a regulatory framework that fosters competition, investment, and improved service.

Together, the series makes a strong case for telecom reform, arguing for greater transparency, consumer choice, and a modern communications strategy to meet the Falklands' future needs.

# Part I: The Price of Monopolised Broadband?

I last wrote about telecommunications in St Helena in February 2024, so it could be worthwhile reviewing St Helena terrestrial fibre optic network disaster if you are not familiar with the background of the issues discussed here.

This post examines the recent breakdown in telecommunications negotiations between the St Helena Government (SHG) and Sure South Atlantic (Sure), and what it portends for the future of broadband connectivity in both St Helena and the Falkland Islands. Despite the arrival of the Equiano undersea cable in St Helena, outdated local infrastructure and exclusive licensing arrangements have stalled progress, echoing similar issues in the Falklands.

Drawing on the newly passed St Helena Communications Ordinance 2025 and the growing influence of Starlink, this post argues that Sure is possibly using infrastructure upgrade offers as leverage to maintain its monopolistic control. With Sure's exclusive licences in both territories nearing expiration, both governments face a pivotal choice: maintain exclusivity or open the market to competition. The coming months will define whether digital access in these remote islands evolves into modern public utilities or remains trapped in outdated monopoly models.

I need to say up front that I have no knowledge of what transpired between the St Helena Government (SHG) and Sure in their negotiations. All that follows is therefore pure conjecture based on publicly available information and my own interpretation. As Sherlock Holmes put it in *The Adventure of the Cardboard Box*:

*"We were simply there to observe and to draw inferences from our observations."*

## The St Helena Government's Press Release

On **July 3rd 2025,** the St Helena Government (SHG) issued the following press release concerning the breakdown in discussions about the future of telecommunications on the island.

St Helena Government

St Helena Government
17h ·

Sure Licence Negotiations Update
Negotiations for a new long-term licence with Sure concluded this week without agreement, despite extensive efforts by all parties.
The parameters underpinning the negotiations sought to secure a new licence to maximise benefits from the Equiano submarine cable. Sure presented a substantial investment proposal for network infrastructure that would deliver superfast broadband capabilities aligned with agreed objectives.
Both parties invested significant resources over recent months, with SHG technical and legal teams working intensively with Sure to find mutually acceptable terms. The negotiations addressed complex technical, commercial and regulatory requirements for building a new broadband network while ensuring continued provision of the whole range of communication services currently available to businesses and residents on St Helena.
Despite good faith efforts from all parties, agreement could not be reached within the deadline of 30 June 2025. Key challenges centred on balancing St Helena's long-term interests with commercial operating realities in a market that is experiencing rapid technology change.
Sure will continue providing services under their existing licence issued under the Telecommunications Ordinance 1989.
The modern regulatory framework established under the Communications Ordinance 2025 is now in place, providing robust consumer protection and oversight mechanisms for future licensing arrangements and in the coming months further announcements will be made on the implementation of a Communications Regulator.
St Helena's communications infrastructure and regulatory framework provides a strong foundation for future development.

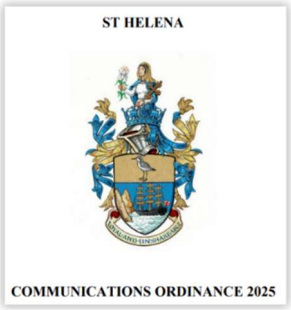
We should bear in mind that this situation is unfolding *despite* Sure South Atlantic (Sure) routing internet traffic over the 100 Gbit Equiano undersea cable since October 2023 – an event that ended reliance on satellites and, for the first time, opened access to the possibility of high-capacity broadband. This upgrade reduced latency to the UK from approximately 657 ms to 131 ms. What an enviable position for any remote island to find itself in.

However, the two highlighted sentences from the SHG press release can also be said to perfectly mirror the possible nature of the ongoing discussions between the Falkland Islands Government (FIG) and Sure regarding the government's approval of Starlink. The sentiments expressed in these two sentences may also prove highly relevant to the looming debate over the expiry of Sure's exclusive Falklands telecommunications licence on December 31, 2027:

> *"The negotiations addressed complex technical, commercial and regulatory requirements for building a new broadband network while ensuring continued provision of the whole range of communication services currently available to businesses and residents on St Helena" and*
>
> *"Key challenges centred on balancing St Helena's long-term interests with commercial operating realities in a market that is experiencing rapid technology change."*

These two statements compel us to ask: "What on earth is going on, and how are they relevant to the Falkland Islands"?

## The 2025 St Helena Communications Ordinance




A key part in answering that question can be found in the release of the final version of the St Helena Communications Ordinance 2025, which was approved on June 18, 2025, and is awaiting the Governor's assent to become law. This new legislation replaces the older 1989 Telecommunications Ordinance (along with its 2022 amendments). This follows a public consultation about the ordinance held in March 2025.

I will focus on one highly relevant issue presented in the bill, which is appropriate to this post**: exclusivity**.

So what does the new ordinance have to say about exclusivity?

(4) Exclusive rights may be granted only if there are compelling reasons to do so and it is in the best interests of end users and, in determining whether an exclusive right is to be granted, the following factors (and whether they can be appropriately addressed by licence conditions) must be taken into account by the Governor—

(a) the size of the addressable electronic communications market and sustainability of competition, both with regards to the operation of electronic communications networks and the provision of electronic communications services;

(b) the level of capital investment required to meet prescribed minimum service delivery requirements and whether this is achievable in the market;

(c) the likely economies of scale that may result from exclusive rights;

(d) whether there is scope for the market to support more than one operator;

(e) the likely impact of those exclusive rights on customer pricing;

(f) the likely impact of those exclusive rights on the quality of service provided to customers;

(g) the likely impact of those exclusive rights on innovation.

From a Falklands perspective, the above clauses are entirely pertinent and in sympathy with the needs of Falklands telecommunications users, specifically, the terms "*best interests of the end users*" and the "*possible impact on innovation*."

**28. Temporary suspension of exclusivity**

(1) Where an exclusive licence has been granted under section 27[27] the Governor on the advice of the Executive Council may, in the circumstances set out in subsection (2), grant a temporary licence, which is otherwise incompatible with the exclusive licence, for the provision of a publicly available communications service.

(2) A temporary licence may be granted under subsection (1) where the holder of the exclusive licence, due to circumstances beyond their control, is unable to provide the services that are the subject of the exclusive licence.

(3) A temporary licence granted under subsection (1) must be expressed to come to an end as soon as the Regulator and the holder of the exclusive licence are satisfied that the provision of the service is able to resume under the terms of the exclusive licence.

Again, this wording is entirely pertinent and in line with the needs of Falkland Islands telecommunications users and the use of Starlink in the islands.

It is interesting to note that the ordinance does provide for exclusivity in acceptable circumstances, so this will give Sure reason to believe they could achieve it.

## Upgrading St Helena's terrestrial infrastructure

In its press release, SHG stated:

> *"Sure presented a substantial investment proposal for network infrastructure that would deliver super-fast broadband capabilities aligned with the agreed-upon objectives."*

With the collapse of Maestro's terrestrial network project as discussed in a previous post, it seems only natural that Sure would step in with a scaled-up upgrade proposal for the island's terrestrial network.

So, what could be stalling the negotiations?

While this remains entirely speculative, the likely sticking point is that Sure has signalled it won't commit to such an investment without assurance that its exclusive license will be renewed.

Such a negotiation position runs counter to SHG's strategy as outlined in the 2025 Communications Ordinance, which aims to open the market and end monopolistic control. A classic stalemate.

Meanwhile, in the background, Starlink quietly gains a foothold despite being officially prohibited!

## What relevance does this have to the Falkland Islands?

The need for upgrading St Helena's outdated terrestrial network applies just as clearly to the Falkland Islands.

Stanley’s ageing local access network, long overdue for modernisation, urgently requires significant investment to meet 21st-century connectivity standards. Yet Sure has failed to deliver such an upgrade, despite numerous opportunities to do so during its years of exclusivity.

It’s not a significant leap of imagination to believe that Sure could be positioning any potential Sure-financed future upgrade to Stanley’s broadband infrastructure as conditional on the Government agreeing to extend its exclusivity beyond the current licence expiry on the 29th December 2027.

Occam’s razor would seem to apply in the circumstances – the simplest explanation is usually the correct one. From a strategic standpoint, it seems reasonable to interpret Sure’s approach as consistent in both islands, although the specifics of any of the negotiations are not publicly disclosed. Sure maybe adopting the same strategy with both governments to counter the move towards not supporting exclusive telecommunications licences going forward, i.e. an island-wide terrestrial fibre network in St Helena and an upgrade to Stanley’s broadband infrastructure in the Falklands.

Both governments are at pivotal moments, with both reviewing telecom licensing frameworks and the rise of alternatives, such as Starlink, changing the game.

## Exclusivity has no place in 21st-century telecommunications.

Connectivity is now a basic utility and is essential for everything from education and healthcare to work and home life. When one provider has exclusive rights, it limits access, drives up prices, and leaves rural and underserved communities, such as those in Camp, behind. It kills competition and removes any real incentive to innovate or improve service. Furthermore, it contradicts the principles of equity and inclusion by narrowing choices and deepening digital divides. Regulation bodies, such as those in St Helena, are moving in the opposite direction toward open access, infrastructure sharing, and net neutrality, as these principles drive fairness and progress. In a global digital economy, where collaboration and interoperability are everything, exclusivity isn’t just outdated – it’s a barrier. These concerns are just as applicable in the Falkland Islands as in any other country around the world.

## Conclusion

Across both St Helena and the Falkland Islands, a familiar pattern has emerged: outdated terrestrial infrastructure, rising public demand for better broadband, and Sure possibly leveraging its monopoly position to negotiate continued exclusivity before committing to meaningful investment. This is no coincidence and could reflect a broader regional strategy by Sure to maintain exclusive control amid rapid technological change. Notably, a similar approach has already faltered on Ascension Island.

But the days of telecom monopolies wielding unchecked power over remote islands are coming to an end. The rise of low-Earth-orbit (LEO) satellite services, such as Starlink, and the growing willingness of governments to explore alternative solutions mark a fundamental shift in the balance of power. Consumers and policymakers alike now have unprecedented leverage to demand lower prices, improved service, and genuine competition.

The real question is whether the Falkland Islands Government will seize this opportunity, triggered by the approval of Starlink, to reimagine digital connectivity as a public good: open, competitive, reliable, and future-proof. Or will it retreat into a further decade of exclusivity, delayed infrastructure rollouts, and underwhelming service? The decisions made in the next few months will determine this.

To repeat, exclusivity has no place in 21st-century telecommunications, even if possible future alternative business models represent uncharted territory for the Falklands. St Helena, at least, has shown leadership and has already begun to take that first step, despite the challenges it may present.

**Carpe diem!**

* * *

# Part II: 112 Days of Silence


This post follows up on the two major service announcements made by Sure Falkland Islands (Sure) on **19th March 2025**: the introduction of **"cheaper and unlimited broadband packages for all"** and a **"low-latency" broadband service** based on their **OneWeb LEO satellite platform**. Not unexpectedly, these announcements were met with significant interest and high expectations from residents and businesses.

This is not the first time I've covered these developments. In **March 2025**, I published *Sure Falklands' Proposed Unlimited Broadband Plans*, providing a technical and strategic perspective on the proposed unlimited packages. Earlier, in **June 2024**, I explored the broader implications of the Sure low-latency satellite service in *The Impact of Intelsat's Multi-Orbit Service on OneWeb's Low-Latency Offering in the Falklands.* If you're not familiar with the background, I recommend reading those posts first to get up to speed.

Now, 112 days after Sure's bullish presentations in Stanley, neither service has been formally launched, and no public explanation has been given. This post examines what was proposed, what has (or hasn't) happened since, and considers possible reasons for the continued delay, including the concerning possibility that strategic business motives may be holding back vital broadband improvements in the Falkland Islands.

No launch dates were offered at the time, but let's review what was said about these two proposed new services in the March 2025 presentations.

## Two "unlimited" broadband services for all

These are some of the comments made about the two proposed "unlimited broadband services for all" made in the 19th March 2025 presentations by Sure in Stanley.

> *"There're two plans that we plan to launch and **these would replace all of the existing broadband plans that we have in place today**. So there's two plans. And they're both unlimited. **The first plan is for £50 a month** for unlimited data. And that goes up to a speed of 5 megabits per second. **The second plan is for £115 a***

> ***month**. It's also for unlimited data and it would be up to speeds of up to 15 megabits per second."*
>
> *"We have a really strong plan to bring faster, **lower-cost broadband for all**.*
>
> *"A massive change from where we are today. A big improvement in terms of faster speeds."*
>
> *"We've been working extremely hard to find the solution that can bring this about in terms of enabling and ensuring there's enough capacity to be able to deliver this new service. So it's faster. It's lower cost and it's unlimited."*
>
> *"We sense that the you will want to see improvements very quickly and we are working flat out as I said – there's a team… of 30 people here in the Falkland Islands as well as the team in Guernsey of experts of engineers who are looking to bring the best technology here."*

The presentation concluded with:

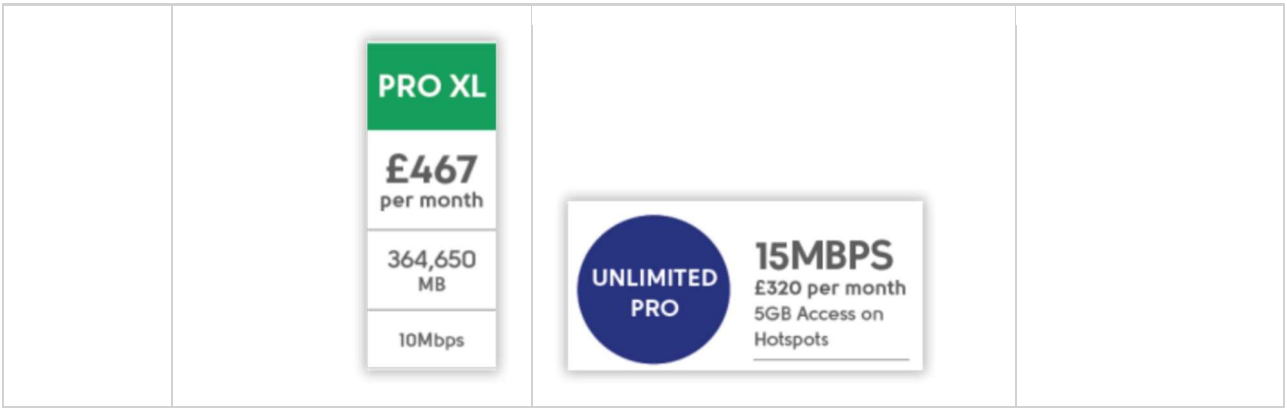
> *"I said you really do have our attention. We are working flat out and we're determined to find a solution that addresses your concerns and brings faster broadband more reliable broadband at a lower cost as well".*

At the time, my conclusions as expressed in the post *Sure Falklands' Proposed Unlimited Broadband Plans* about the unlimited packages were cautiously optimistic.

> *"My primary concern was whether Sure could effectively balance offering an unlimited, quota-free service to all customers while supporting many concurrent users with diverse application needs with a good QoE.*
>
> *Encouragingly, my rough calculations suggest the system could function as needed. However, peak evening streaming times, like when most users watch Netflix, could still cause congestion and service degradation. However, these theoretical estimates remain speculative, and any significant changes in key parameters could still lead to network congestion."*

Sure did announce two new unlimited broadband services offered without withdrawing all the other seven standard broadband packages: a '**10 Mbps Unlimited standard @ £229/mth**' and '**15 Mbps Unlimited Pro @ £320/mth.** These fall short of the "for all" ambition for the removal of quotas for all packages, as proposed in March.

However, Sure's broadband web page still confuses, as there are now two competing high-end options:



Why would a customer choose the Pro XL package over the Unlimited Pro package, which has a lower maximum download speed, a 5 GB quota, and is far more expensive? The only difference that I can ascertain is that broadband users can use the PRO XL at a Sure hotspot or a second location.

Unlimited, non-quota service for all users remains absent as of July 2025.

## Sure's 'Low-latency' service.

My first post regarding Sure's proposed OneWeb-based LEO "low latency" service was titled "The Impact of Intelsat's Multi-Orbit Service on OneWeb's Low-Latency Offering in the Falklands" and was posted on June 21st 2025.

Low-latency LEO services were first mentioned in a joint press release from the Falkland Islands Government (FIG) and Sure on **November 17th, 2022**. However, as of the OpenFalklands' post publication date, the service had still not been launched.

These are some of the comments made about the proposed low-latency service made in the **19th March 2025** Sure presentations:

> *"The second aspect of the proposal is that we have a LEO service. So a low earth orbit service, which is direct to you, the customer. Now, this isn't for everyone. The idea is that this would be prioritised to Camp customers, to business customers, and to those customers who are at the remote end of their [ADSL local connection]."*
>
> *"So it's perfect for a Camp situation. Again, it's direct to the customer. So what we envisage is that the houses and the businesses that have this solution, it would be one for each household or one for each business."*
>
> *"**So my key message is that it can be better, it should be better, and it will be better.** We have a really strong plan to bring faster, lower-cost broadband for all… and then a direct-to-customer LEO solution. And it's fully supported by a local team who are committed for the long-term to the Falkland Islands and supporting you as a community."*
>
> *"So we believe that with the network that's being put in place by OneWeb, **it doesn't have a good reputation here because of the time it's been taking us to get it ready to be launched. But now we believe all the hard work that we've put in with our partners, with OneWeb, that it is ready to roll out."***

As would be expected with this proposal, the audiences expressed high expectations following the positive and confident announcements by Sure.

## 112 Days and Counting: No Formal Launch Yet

All the above confident comments about the proposed services were made on the **19th March 2025** to consumers and businesses in two separate meetings. The main speaker at the two presentations was Alistair Beak, Group Chief Executive Officer of Sure South Atlantic.

Despite this positivity, as of July 9th, 2025 the date of this post – 112 days after the proposed services were announced – neither the "unlimited broadband service for all" nor the OneWeb-based "low-latency LEO service" has been formally, or even informally, announced as available services that can be purchased. In the case of the "low-latency LEO service", it has been 2 years and 8 months since it was initially proposed**.**

The only news that has come to my attention since the presentations in March 2025 has been a trial (?) deployment of the OneWeb LEO service at the Malvina Hotel in Stanley, as well as a trial with a resident of Camp. Have there been any others?

## Why have these two services not been formally launched?

Surprisingly, there has not even been any island gossip about why the services have not been launched – this must be a first!

I do not know the reasons behind the delay in launching the two services. Therefore, what follows is purely speculative, based on the limited public information and my speculative interpretation of the events.

Could the delay be due to unforeseen technical issues? That seems unlikely, as in the March presentation, firm assurances were given that both services were ready to launch despite some acknowledged historical issues as stated explicitly about the OneWeb-based LEO services. Yet, 112 days later, we've heard nothing. No updates. No announcements. Complete silence.

Once again, Occam's razor appears apt: the simplest explanation is often the correct one. In Holding Islands Hostage: The Price of Monopolised Broadband,, I suggested that Sure may have been using its ability to upgrade Stanley's outdated broadband infrastructure as leverage – an investment it could easily afford to make if granted an extension of its exclusive licence.

Could the same tactic be at play again? Is Sure withholding the launch of these two services, particularly the unlimited option for all broadband packages, to strengthen its negotiating position with the government regarding Starlink approval? From their perspective, this would be a logical, if deeply concerning, strategy for all their broadband customers.

## Conclusion

The absence of any official launch or meaningful update 112 days after Sure's confident public announcements in March is both troubling and telling. Despite bold promises of transformation – "unlimited broadband for all" and a "direct-to-customer low-latency LEO service" – residents and businesses in the Falklands are still waiting, without clarity, timelines, or accountability.

If technical hurdles were truly the cause, one might expect some communication to that effect. But the prolonged total silence, especially after assurances that these services were ready to go, raises legitimate questions about intent. The suggestion that these much-needed upgrades are being used as bargaining chips in licensing negotiations is, at this stage, more than idle speculation – it is a plausible explanation supported by both timing and pattern.

The people of the Falklands deserve more than hopeful soundbites and ambiguous timelines. They deserve transparency, follow-through, and broadband services that reflect the modern digital world. Until that happens, scepticism will remain justified, and the responsibility to explain these delays lies squarely with Sure.

## Part III: Telecommunications Options for 2028 and Beyond


With the expiry of Sure South Atlantic's (Sure) exclusive telecommunications licence approaching in December 2027, the Falkland Islands face a pivotal decision on how to structure their future telecoms market. The Sure Exclusive licence ends only after the Falkland Islands Government (FIG) serves notice on them. The exclusive licence then specifies a 6-month transition period, which can be extended to 2 years unilaterally by FIG.

The current monopoly model, established in 1989 with C&W and reaffirmed with Sure in 2017, has faced growing criticism due to limited service flexibility, constrained competition, and a lack of technological innovation. While the recent approval of Starlink signals a shift toward diversification, it does not fundamentally challenge the monopoly structure still embedded in the existing Telecommunications Ordinance. The post argues that maintaining the status quo is no longer justifiable in light of available technologies such as LEO satellites and market precedents. It recommends early, transparent planning to explore viable models that prioritise affordability, innovation, digital inclusion, and long-term resilience, rather than relying on historical defaults that are considered to have little risk, such as exclusivity.

In the two previous posts, *Holding Islands Hostage: The Price of Monopolised Broadband?* and Holding Islands Hostage: The Price of Monopolised Broadband?, I conjectured that Sure South Atlantic (Sure) may be leveraging various factors in its negotiations with FIG to extend its exclusive licence – particularly in the context of discussions surrounding Starlink's potential approval in the islands.

With Sure's exclusive licence set to expire on December 31st, 2027, the central issue in any forward-looking discussion is the role, if any, that exclusivity should play in the model that replaces it. Rather than simply replicating the current monopoly arrangement, several alternative models should be explored. These fall under broad industry terms such as "licensing model," "market model," or "regulatory framework."

Shifting away from an exclusive monopoly may seem daunting for a small and remote community like the Falkland Islands. However, in my experience, such a transition is not only manageable—it can be empowering. Before diving into the challenges this shift might

present in a future post, let's first examine what shape alternative models could take after Sure's license expires.

A comprehensive and detailed discussion of the pros and cons of each alternative is well beyond the scope of this post, but it should provide a direction for where things could go.

## Those who cannot remember the past are condemned to repeat it.

There is nothing new in the Falkland Islands about discussing alternative models for telecommunications. Indeed, a comprehensive discussion about market models and the pros and cons of exclusivity was written by economic consultant Chris Doyle for FIG back in 2004.

This topic was extensively discussed in the months leading up to the introduction of the current telecommunications ordinance in 2017, following a submission of a strategic telecommunications report by Cartesian in March 2015. However, a strongly articulated view was held by certain stakeholders that there was little choice but to continue the monopoly regime initially provided to C&W in 1989, managed under an exclusive licence provided to Sure. This was the final preferred option, as it was the most risk-free and safest, as recommended in the Cartesian consultancy report, despite objections from many individuals, including persistent lobbying by the Chamber of Commerce and others, which ultimately had no effect. Agreeing on an exclusive licence being the outcome.

However, in 2025/6 the telecommunications markets and available communication technologies are *dramatically* different from those in 2015/16/17 and it is undoubtedly the case that a *fait accompli* in the form of exclusivity will not be the outcome this time around.

Let's examine some of the alternative models FIG could adopt following the expiration of the Sure exclusive licence.

## Extending the exclusive licence

I've written extensively in previous posts about the challenges of an exclusive telecommunications regime, so I don't need to reiterate them here. Indeed, every Falkland Islander knows the reality, as they are living with the consequences daily.

The recent approval of Starlink marks a meaningful step toward broadband competition, but it doesn't change the fundamental structure of Sure's exclusive telecommunications licence, which remains in effect until December 31, 2027. Why not? Because under the current Telecommunications Ordinance, FIG-issued VSAT licences have always been technically exempt from Sure's exclusivity.

In practice, however, things were very different with a successful tactic to protect the monopoly. The licensing process for a VSAT was made prohibitively difficult: applicants had to prove that Sure's services couldn't meet their needs and supply extensive technical data that a non-technical consumer or business couldn't reasonably provide. And, even if they succeeded, they faced an annual fee of £5,400 – an additional obvious deterrent. The result was a system that effectively preserved Sure's monopoly on broadband and killed any self-provisioning of VSATs in the islands stone dead.

Sure now argues that Starlink's arrival significantly threatens its revenues and could force its departure from the islands. That argument has been covered in depth in an earlier

OpenFalklands post Sure Warns of Profit Loss as Starlink Lands in the Falklands, so I won't repeat it here.

After a decade under an exclusive licensing regime, I find it hard to believe that many islanders would support its continuation.

When the current Telecommunications Ordinance was drafted a decade ago, LEO satellites like Starlink were still speculative technology. An exclusive licensing model may have seemed like the only viable option at the time. That's no longer the case.

## Full nationalisation

Nationalising the telecommunications infrastructure in the Falkland Islands when Sure's exclusive licence ends would be a significant decision. One clear benefit is that it would give the FIG complete control over how telecom services are run. This means decisions can be made based on what is best for the public, not just profit. It could also lead to lower prices for customers and allow the FIG to reinvest any extra income into other essential services, such as health or education.

National ownership would also enable the FIG to focus on improving services in Camp and ensure that telecoms support broader goals, such as education, emergency services, or digital access for all. Another advantage is that keeping the infrastructure local would give the islands more control over their digital systems.

**Acquiring Sure's existing infrastructure may seem prohibitively expensive; however, much, if not most, of its telecommunications equipment and software is outdated, with support and warranties lapsing at the end of their life and would likely have been decommissioned or written off in most other countries.**

Note: I've been asked to emphasise this paragraph by putting it in bold and underlining it!

FIG-run services can sometimes be slower or less efficient than those of private companies, and FIG may not possess the necessary technical skills to manage such a complex system today. In practice, the nationalised service would be run on a standalone basis with its own management. It has been commented that the staff currently managing the island's telecommunications infrastructure and services are very competent. If nationalised, all the staff would transfer to the 'Newco'.

However, there are also some significant challenges. Without competition or a profit motive, there might also be less incentive to improve or modernise the service – in other words, it could turn into a monopoly all over again.

There's also the risk that the handover from Sure to a nationalised Newco could be difficult and cause service problems. With limited public funds, spending a significant amount on telecoms could mean less money for other vital areas, which, of course, is a key issue at the moment.

## Public-private Partnership

Instead of full nationalisation, the FIG should consider other options. The key one would be a public-private partnership, where the FIG owns the infrastructure but a private licensed company provides services.

The well-known and well-trodden path would be a **NetCo/ServCo** model. This is where the FIG owns the telecom broadband and 4G infrastructure (NetCo), which provides wholesale services to a private, licensed company -or companies – that manage the services (ServCo). This setup offers a middle-ground option between complete nationalisation and full privatisation. One of the main benefits is that the FIG maintains control of essential island infrastructure, ensuring it supports long-term goals such as rural access, digital inclusion and Universal Service Obligations (See Part IV, the next post). At the same time, a private licensed company brings expertise and efficiency to handle customer services, which can lead to improved service quality and increased innovation, assuming this is achieved by using a non-exclusive license to prevent a repeat of history.

This model can also reduce costs and risks for the FIG, as it doesn't require building up the technical capacity within FIG to run the entire system.

However, the model isn't without challenges. It can be complicated to manage, as the division of responsibilities between the FIG and the private company needs to be clear. If coordination is poor, it could lead to service problems. However, with strong regulatory controls, this would be avoided.

In summary, the NetCo/ServCo model strikes a good balance, maintaining public ownership of key infrastructure while leveraging private commercial and technical expertise to deliver services. However, for it to work effectively, it requires good planning, clear rules, and robust regulatory oversight—and, of course, a willingness to take some risk by adopting a new approach.

## Some other models

Another alternative **Open Access network model**, where a single, shared telecommunications network is made available to multiple service providers. This network could be publicly owned or managed by a neutral third party. The primary advantage of this approach is that it fosters competition, which can lead to lower prices, increased choices, and improved service quality for customers. Since providers don't need to build their own

infrastructure, it also reduces duplication and overall costs. However, this model is probably too complex to manage in the Falkland Islands. It may also require public investment or subsidies to be financially viable in such a small and remote setting.

Another option is a **cooperative-owned network**, where the telecommunications infrastructure is owned and managed by a cooperative comprising local residents, businesses, or public entities. This model maintains ownership and decision-making within the community, ensuring that services are shaped by local needs rather than driven by profit. It can also build strong local trust and support. However, funding the initial setup and maintaining the network can be a big challenge. However, with the small number of businesses in the islands, it is hard to see how this could come about.

Both models offer more community-focused and competitive alternatives to either full privatisation or nationalisation. However, their success in the Falklands would depend heavily on strong coordination, some level of public support or investment, and careful design to suit the islands' small population and unique geography.

I would hazard a view that these two models are rather too esoteric for the Falkland Islands, although there are well-known examples around the world.

## Conclusions

With Sure's exclusive licence set to expire at the end of 2027, the Falkland Islands are at a critical juncture – one that offers a rare opportunity to reshape the future of telecommunications for the benefit of all islanders. While the current monopoly model may have once been justified by limited technology and capacity in 2017, the landscape has undergone significant changes since then. New LEO technologies, such as Starlink and the soon-to-come direct satellite telephony, evolving global best practices, and the community's growing demand for better and fairer access, all point to the need for serious consideration of alternative models. Moreover, with Starlink becoming a licensed operator, it will act as a market-based price control mechanism. Such factors were not around in 2017.

The goal must be to create a system that prioritises accessibility, affordability, resilience, and innovation. This means moving beyond outdated assumptions and recognising that

monopolies are not the only viable path, even in small and remote communities such as the Falklands.

The time to start planning for this transition is now. Waiting until the final months of Sure's licence risks repeating the mistakes of the past. By engaging the public, building regulatory capacity, and exploring all options with a clear-eyed view of their trade-offs, the Falklands can craft a telecoms model that truly serves the long-term interests of its people. Every month that Sure delays decisions means another month of high profits for the company.

I heartedly believe that FIG and the Legislative Assembly understand this, and work is underway to explore the possible options available to them when the exclusive license ends. A key element in achieving this is a FIG contract with Cambridge Management Consultants, which was announced in 2024.

* * *

# Part IV: Concern over Universal Service Obligations

As the Falkland Islands Government (FIG) navigates a rapidly changing telecommunications landscape, especially in light of Starlink's entry, concerns have been raised about the future of the Universal Service Obligation (USO) should Sure's exclusive licence end or the company exit the market. This article explores whether such concerns are justified, explains what USO entails, and examines how its provision could evolve with 21st-century technologies. It concludes that while the delivery model for USOs will inevitably change, the obligation itself will remain a regulatory cornerstone and one that FIG will continue to enforce, regardless of which providers are involved. Islanders should focus on ensuring that future services are sustainable, equitable, and forward-looking, rather than preserving outdated models.

Let's examine this supposed issue in greater depth, but first, what is are USOs?

## What are Universal Service Obligations?

USOs in the FIG telecommunications licence are conditions that require Sure to provide basic services such as phone and internet to everyone in the country. This includes people in Camp, even if it's not profitable for the company. The goal is to make sure everyone can access these essential services at a fair price and with reasonable quality.

Note: Camp is the rest of the Falklands' geography outside of Stanley.

USOs focus on three main objectives: ensuring services are available in hard-to-reach areas, maintaining affordable prices for low-income users, and maintaining a minimum level of service quality. The rule also typically states that services must be provided fairly and without discrimination.

Governments may help offset the cost through subsidies or special funds, such as a Universal Service Fund, or companies might use profits from other areas to cover the expense. Overall, USOs aims to ensure that everyone, regardless of their location or financial situation, can access basic telecom services to stay connected and participate in

the digital world. The exclusive licence with Sure, as would be expected, includes a USO statement.

## What are Sure's Individual licence USO conditions?

The need for USOs is specified in the 2017 Communications Bill:

> *"64 The exclusive licence must include provision requiring the exclusive licensee to comply with any obligations under regulations made by the Governor under this section ("Universal Service Regulations")."*

**INDIVIDUAL OPERATING LICENCE**
**granted by the Governor**
**pursuant to sections 33 and 62 of the Communications Ordinance (No.2 of 2017)**

Here are the USO conditions as specified in Sure's Individual Operating Licence 2017:

**PART F – PUBLIC NETWORK OR SERVICE OBLIGATIONS**

**34 UNIVERSAL SERVICE OBLIGATIONS**

34.1 The Licensee is hereby designated as a universal services provider pursuant to section 64 of the Communications Ordinance, and the Licensee shall comply with any directions of the Regulator concerning the universal services that the Licensee must provide pursuant to section 64 of the Communications Ordinance, and this Licence shall be modified accordingly pursuant to section 64 of the Communications Ordinance.

34.2 The Licensee shall provide fixed line telephony services and fixed line internet access services to: (1) 100% of houses in which a person lives for at least 6 months of the year; and (2) 100% of business premises where a business operates from those premises for at least 6 months of the year.

34.3 The Licensee shall continue to provide cellular services including the delivery of a new 2G/4G network commencing in 2017 and in accordance with the KPIs.

34.4 Unless the Regulator or the Governor consents otherwise, the Licensee shall provide the Public Services referred to in Conditions 34.1, 34.2, and 34.3 on the basis of uniform prices throughout the Falkland Islands.

It is also worth noting that there has never been a USO commitment to provide 100% coverage of a telecommunications service in the Falklands (as with FM radio). Indeed, in the 20th September Starlink Select Committee meeting, the Attorney stated the following:

> *"…there's never been at any point agreement to full geographic coverage of the islands, and I doubt that that would be practical, and certainly not useful in economic terms, in relation to the capital and revenue investments to provide mobile coverage for the full geographic area."*

> *"…there are some places which are not occupied for more than six months of the year, where there actually isn't an obligation to provide any service, and there isn't an obligation to provide it…"*

There is also mention of USO exemption if they decide to take out a licence for VSAT usage:

| | |
|---|---|
| **The Government recognises that the development of services available via VSAT operators since the original policy was set in 2016 represents a functionally different service from that available when the original policy was established. In the context of this, it is understood that a resident may wish to set up operations outside the parameters of the universal service obligation which is imposed on the exclusive provider. This may include a resident requiring a specific level of bandwidth, speed or latency not available commercially, or at a reasonable price, from the exclusive provider, or via, the exclusive provider.** | This section confirms that the exclusive provider retains their exclusivity but that there are circumstances where residents can reasonably expect to use another provider to access other services or to achieve a different setup (speed, individual earth station availability, latency etc) than is available from the exclusive provider. The list of circumstances for wanting a VSAT service is not exhaustive, it is just there to illustrate the sort of areas that might apply. |

The Sure USOs are straightforward, although their definition are somewhat shallow. Indeed, Clause 34.3 is meaningless from a practical objective perspective.

## Sure's stance regarding USO provision

What is Sure's recent attitude to the provision of USOs? This can be understood in their submission to the Starlink Select Committee in August 2024:

> *"Sure's exclusive Licence has meant that we have been able to continue to offer services to customers in the more remote areas of the Falkland Islands, which would otherwise be uneconomical to serve, as these customers can be cross-subsidised from those customers located in easier to serve areas. This means that all customers can be charged the same price for their communications needs, regardless of any differences in the actual costs of providing service to different customers. That is, exclusivity has allowed Sure to meet its universal service obligations including the provision of access to basic services to all customers at reasonable and uniform prices, regardless of a customer's location."*

> *"The increasing use of VSAT – which would be exacerbated under a lower or no licence fee approach – would undermine Sure's ability to provide a full range of telecommunications services to all customers at affordable, uniform prices, and to do so regardless of how costly it is to provide services to individual customers due to their location."*

The obvious implication is that only through the provision of an exclusive licence is it possible for USOs to be met. This may have been true in 2017, but it is much less so in 2025.

Since FIG approved Starlink operation in the Falklands, Sure has maintained complete public silence on the matter, despite ongoing discussions with FIG. According to FIG's 11th June 2025 press release:

> *"…FIG officers will now engage with Sure regarding ongoing provision of telecommunication services for the Falkland Islands. ExCo has requested a substantive update on negotiations with Sure in August [2025]."*

## Should islanders worry about losing USO provisions?

# Absolutely not!

As outlined in FIG's 2017 Communications Bill, USOs focused on basic fixed-line telephony and internet access will remain a core requirement, despite scaremongering, for any Falkland Islands' operator's licence in the foreseeable future, regardless of the service delivery model as discussed in Part III.

However, in the 21st century, the focus of USOs has shifted increasingly toward broadband internet access, especially in underserved rural and remote areas such as Camp in the Falklands. This shift reflects the global evolution of technology, particularly the growing reliance on Voice-over-IP (VoIP) services that have largely supplanted traditional telephony.

It is essential to recognise that USOs are undergoing substantial change worldwide, often accompanied by complex challenges. The Falklands will not be immune to these pressures. One of the most illustrative and contentious examples is the case of BT in the UK, which highlights both the opportunities and difficulties that come with redefining universal service in the digital age.

## BT's Digital Voice woes

In the UK, BT has experienced numerous issues switching customers to its new Digital Voice service, which utilises the Internet instead of traditional phone lines (although it still uses copper access lines).

BT's website says "*it's our new home phone service, powered by your broadband connection*
*and comes with lots of features included like Call Protect and Voicemail."*

**One significant issue is that Digital Voice doesn't function during power outages unless a backup battery is present. This is a safety worry, especially for older people. BT is now giving some customers battery backups.**

Many people didn't understand what the change meant. They didn't know they needed broadband or that their phones might need to be plugged into a router. This caused considerable confusion and more calls to BT's help line.

Some older devices, like care alarms and fax machines, don't work well with Digital Voice. BT had to help people find new options. In some places, especially in the countryside, the internet isn't good enough for Digital Voice. BT had to delay the switch in those areas.

Groups such as Age UK and Ofcom were concerned about how the change would impact vulnerable individuals. As a result, BT paused the rollout and worked to improve the situation.

Another issue is that not everyone is accustomed to digital technology, particularly older individuals who may not have broadband access. BT didn't support them well at first and had to do better.

It will probably be no different in the Falklands, as there's no avoiding technological change, I'm afraid, as it's the future. I sometimes doubt the technical paths that are being taken as well.

## Delivering USOs with 21st-century technologies

Historically, the technology used to provide fixed-line voice services was WiMAX, a standard that was superseded by 4G LTE many years ago. Covering extensive geographies using terrestrial-based wireless technologies is extremely expensive, especially with the terrain encountered in the Falklands. Access for ongoing maintenance is also a significant issue. Should this expensive approach be continued in the future is a major question that needs to be asked.

Historically, the technology used to provide fixed-line voice and Internet in Camp was WiMAX. This wireless technology was introduced around 2010, allowing homes, settlements and farms to access basic broadband services without the need for underground cables. However, WiMAX has since been surpassed by more modern standards, such as 4G LTE. Today, Sure is currently upgrading the Fixed Wireless Access (FWA) network in Camp to LTE to (hopefully) improve speed and reliability.

Providing wide-area coverage using land-based wireless technologies, such as WiMAX or LTE, is extremely costly, particularly in challenging environments like the Falkland Islands. The islands' rugged terrain, long distances between properties, and harsh weather make installation and ongoing maintenance very difficult. Technicians often have to travel overland or by air to reach remote equipment, which adds to the cost and complexity.

Modern USO frameworks are increasingly technology-agnostic. As technology advances, a key question for the Falklands is whether continuing to invest in these expensive wireless systems remains the best long-term solution. As global trends shift toward LEO satellite and other more scalable technologies, it's essential to evaluate whether the current approach remains viable for the future needs of the islands.

However, we should not forget that Starlink will not replace all terrestrial communication infrastructure, and that 4G mobile services will remain in place for many years to come.

Fixed-line USOs have mainly become obsolete in many countries as voice and messaging services have migrated to the Internet, but they will certainly not disappear.

With the advent of Starlink, as well as the emergence of other LEO constellations and direct voice mobile-to-satellite services, it is certain that terrestrial-based voice and Internet connectivity to remote farms, such as those currently deployed in Camp, will be replaced mainly by space-based LEO technologies. Even Sure has acknowledged this. Of course, this does not apply to larger Camp settlements such as Fox Bay, Port Howard, Goose Green, etc.

## USOs and Starlink (or OneWeb come to that)

With Starlink offering high-speed broadband in both Stanley and Camp, USOs can still be upheld but in a different way. Modern USOs are less about how services are delivered and more about ensuring everyone has access to reliable, affordable internet and phone connectivity. Even with satellite-based solutions, FIG can implement rules to guarantee good service across all areas, including remote locations.

FIG could require Starlink, or a local company acting as its reseller (such as a ServCo?) to comply with local regulations. These could include price controls, customer support standards, and a requirement to maintain pricing parity between Stanley and Camp users. It's important to note that, like Sure's broadband and most global internet services, satellite services are "best effort." Therefore, enforcing download speeds through key performance indicators (KPIs) are not feasible.

A practical model would be for ServCo to act as a Starlink reseller, taking responsibility for meeting USO requirements, supporting customers, and maintaining fair pricing. Similar arrangements are already in place in remote areas like Alaska and various Pacific islands.

In short, USOs remain relevant even as technology evolves. The introduction of Starlink doesn't eliminate FIG's responsibility or power to ensure equitable internet access. The focus should shift from legacy infrastructure to user needs. With thoughtful regulation and partnerships, USOs can continue to function effectively where LEO satellite-based services are an integral part of a connected Falklands.

It's worth noting that Sure has also proposed offering its own low-earth-orbit (LEO) solution via OneWeb to Camp users so that the same regulatory principles would apply there as well.

## Conclusions

USOs have long played a central role in ensuring that all Falkland Islanders, especially those living in Camp, have access to essential telecommunications services. For years, this obligation has been fulfilled under Sure's exclusive licence, made possible through cross-subsidisation according to Sure. However, as technology evolves and global markets shift, the future of USO delivery in the Falklands must be reconsidered.

The rollout of new technologies, such as the growing presence of LEO satellite services like Starlink and voice-to-satellite services, is dramatically reshaping what is possible and affordable in terms of Camp connectivity. We must recognise that traditional models of terrestrial-based service delivery, while historically effective, are becoming increasingly expensive and difficult to maintain. The reality is that modern USO frameworks are now moving away from specific technologies and instead focusing on outcomes: reliable, affordable, and universally available digital services, however they are delivered.

Also, we must not overlook the fact that the telecommunications monopoly on the islands has stifled innovation, as evidenced by Stanley's outdated ADSL infrastructure. Regulation alone cannot fix this; it merely monitors whether Sure is in breach of the law, rather than driving progress.

Looking ahead, it's essential that Falkland Islanders are not misled into fearing the loss of USOs simply because the exclusive licence may end or new providers enter the market. FIG will still have the regulatory authority and responsibility to define USO requirements in any future licensing or competitive framework. What matters most is that those obligations evolve with the times and ensure service delivery is both sustainable and future-proof.

The future of USOs in the Falklands does not depend on holding onto the past. It depends on making smart, forward-looking decisions about how best to deliver services to all residents, especially those in Camp, in the most cost-effective, resilient, and modern way possible. **In fact, with some effort, USO commitments could significantly improve in the coming years!**

Most importantly, it does not depend on extending exclusive telecommunications licences into the 2030s and beyond to achieve meaningful, workable and effective USOs.

* * *

## Part V: The Enigma of Sure's Financials

Part V of this series delves into a murky world of secrecy, closed doors, commercial confidentiality, and redacted documents. This post examines the opaque financial position of Sure South Atlantic and its Falkland Islands operations, in light of the company's claims that it may not survive the introduction of Starlink. I wrote a previous email focusing on this subject: 'Sure Warns of Profit Loss as Starlink Lands in the Falklands at the end of March 2025. Please review this before jumping into Part V.

As Sure refused to provide detailed financial data to the VSAT Select Committee, to the best of my knowledge, this prompted the need for an independent analysis using publicly available figures, historical accounts, and estimated revenue splits.

Key findings include:

Estimated revenue for Sure Falkland Islands in 2022 was £11.1 million, with a pre-tax profit of £4.1 million, indicating a robust profit margin.

Over the last decade, revenue and profits have remained strong despite rising costs.

Estimated broadband data revenues may fall back by up to £2 million due to Starlink, representing a 20% reduction, rather than an existential threat.

Two substantial dividend payments of around £8.5m to Batelco in '22' and '23.

Sure's statements about being unable to survive Starlink competition appear inconsistent with these financial patterns.

While the numbers used in this analysis involve conjecture due to limited public disclosure, they suggest Sure Falkland Islands is far from a financially vulnerable entity. The real mystery remains: Why won't Sure share the facts?

**Caveat:** I am not an accountant, and the figures presented in this post are based on publicly available data, estimates, and informed guesswork. While every effort has been made to ensure the analysis is reasonable, the absence of full financial transparency from Sure means that some assumptions will be inaccurate, incomplete or plain wrong. These calculations should be viewed as illustrative rather than definitive.

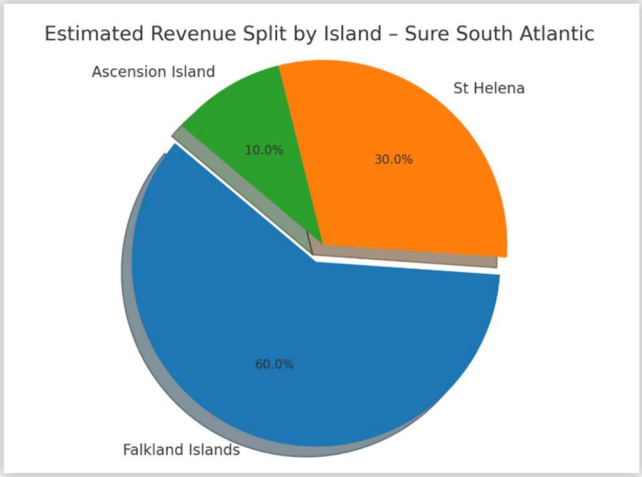
## Estimate of Sure Falkland Island revenues

Sure South Atlantic operates telecommunications services across three remote British territories: the Falkland Islands, St Helena, and Ascension Island. While specific financial breakdowns by island are not publicly available, we can estimate the revenue distribution based on population size, economic activity, and likely telecom usage patterns.

The **Falkland Islands** are likely the most significant contributor to Sure South Atlantic's revenue, accounting for an estimated 60%. Despite having a population of just under 4,000, the Falklands have a more developed economy, a significant presence of UK military operations, and a higher per capita demand for telecom services. This economic and infrastructure profile makes it the most commercially viable market in the region.

**St Helena**, with a population of around 4,500, is estimated to contribute about 30% of the revenue. Although less economically developed than the Falklands, the island has seen an increase in digital activity following the opening of its airport and the arrival of the subsea Google Equiano cable. Government services, a modest rise in tourism, and remote working have also contributed to the growing demand for telecom services, particularly in broadband and mobile services.

**Ascension Island,** with fewer than 1,000 residents, primarily military and government personnel, is estimated to generate the remaining 10% of revenue. Although civilian telecom demand is minimal, the island is likely to host several high-value contracts with the UK and US government agencies, which may support more advanced and secure communications infrastructure.




Overall, this distribution, **comprising 60% from the Falklands, 30% from St Helena, and 10% from Ascension Island,** provides a reasonable approximation of how Sure South Atlantic's revenue might be split across its three South Atlantic operating regions. To keep things simple, we will use these percentages in our calculations, even though it is likely that there could be significant variation in P&L costs between the islands.

## Sure South Atlantic P&L summary

As mentioned above, these figures represent an aggregated view of the profit and loss (P&L) statement for the three islands. The annual company account filings are held in the

Falkland Islands Government's (FIG) registry and can be obtained from there, subject to a Registry fee for each document. The image below shows the P&L for Sure South Atlantic for the years 2013 to 2022. The figures for 2023 are now available.

**Sure South Atlantic Ltd**

**Statement of Profit/Loss & Other comprehensive income**

| | 2022 £'000 | 2021 £'000 | 2020 £'000 | 2019 £'000 | 2018 £'000 | 2017 £'000 | 2016 £'000 | 2015 £'000 | 2014 £'000 | 2013* £'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | 18,512 | 18,111 | 17,047 | 16,129 | 15,025 | 16,372 | 15,796 | 15,687 | 14,533 | 10,379 |
| **Expenses** | | | | | | | | | | |
| Network operating expenses | (4,507) | (4,336) | (4,237) | (3,686) | (3,163) | (4,036) | (3,173) | | | |
| Staff cost and related expenses | (2,472) | (2,361) | (2,477) | (2,342) | (2,441) | (2,444) | (2,468) | | | |
| Depreciation and amortisation | (1,940) | (1,908) | (1,784) | (2,034) | (1,661) | (1,527) | (1,373) | | | |
| Impairment (loss)/reversal on trade receivables and contract assets | 33 | (108) | (74) | | | | | | | |
| Other operating expenses | (2,766) | (2,580) | (2,789) | (3,411) | (3,086) | (2,550) | (2,533) | | | |
| Cost of sales | | | | | | | | (2,564) | (1,556) | (1,102) |
| Admin expenses | | | | | | | | (6,541) | (7,183) | (4,963) |
| **Total Expenses** | (11,652) | (11,293) | (11,361) | (11,473) | (10,351) | (10,557) | (9,547) | (9,105) | (8,739) | (6,065) |
| **Results from operating activities** | 6,860 | 6,818 | 5,686 | 4,656 | 4,674 | 5,815 | 6,249 | 6,582 | 5,794 | 4,314 |
| Operating profit | | | | | | | | | | |
| Other income | 51 | 422 | 159 | 108 | 156 | 138 | 148 | 146 | 151 | 101 |
| lost/profit on disposal of fixed assets | | | | | | | | | (17) | 16 |
| Bank interest receivables | | | | | | | | | 3 | 3 |
| **Profit before tax** | 6,911 | 7,240 | 5,845 | 4,764 | 4,830 | 5,953 | 6,397 | 6,728 | 5,931 | 4,434 |
| Income tax expense | (1,661) | (2,153) | (902) | (1,743) | (1,007) | (1,630) | (1,632) | (1,678) | (1,647) | (1,114) |
| **Profit after tax** | 5,250 | 5,087 | 4,943 | 3,021 | 3,823 | 4,323 | 4,765 | 5,050 | 4,284 | 3,320 |
| Dividends | (8,500) | (1,000) | (2,250) | (3,400) | (19,400) | - | - | - | - | - |
| Restatement of internally generated goodwill on move to IFRS** | | | | | | | (9,182) | | | |
| **Retained earnings to reserves** | (3,250) | 4,087 | 2,693 | (379) | (15,577) | 4,323 | (4,417) | 5,050 | 4,284 | 3,320 |

One of the most interesting line items is the one showing the dividends distributed to shareholders. Since Beyon (Batelco) is the sole owner, dividend payments would go directly to them.

Here are the dividends paid each year. These are not insignificant amounts when compared to profits:

| Year | Dividends Paid |
|---|---|
| 2023 | £9,000,000 |
| 2022 | £8,500,000 |
| 2021 | £1,000,000 |
| 2020 | £2,250,000 |
| 2019 | £3,400,000 |
| 2018 | £19,400,000 |
| 2017–2013 | £0 |

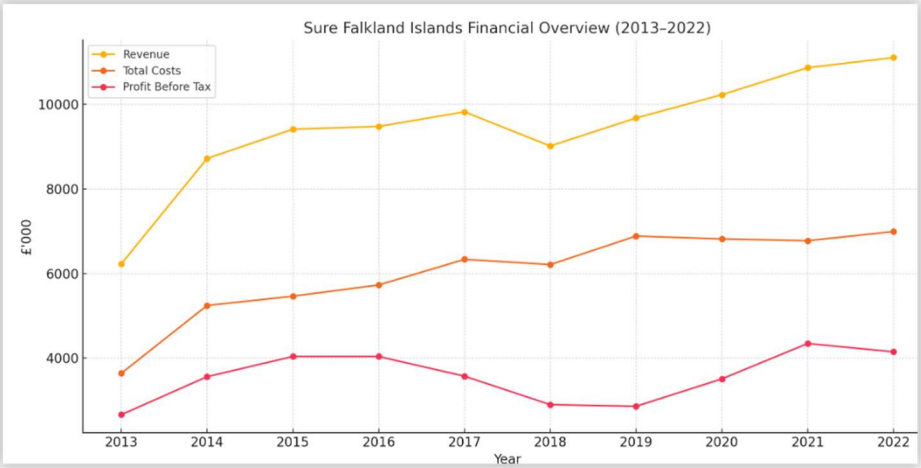
**Note:** £8.5m would go a long way to upgrading Stanley's antiquated VDSL broadband infrastructure! Although I'm moving on to my next post, it is worthwhile noting that an estimated industry cost of upgrading Stanley's fibre infrastructure (say 2,000 homes) would be £1m – £2.4m for aerial fibre distribution (on telephone poles) or £2.4m – £5m for underground fibre distribution.

## Sure Falkland Islands Estimated P&L (2013–2022)

Using the estimate that 60% of Sure South Atlantic Accounts equate to Sure Falkland Islands, here are the estimated financials for the Falklands:

All figures below are estimates based on 60% of Sure South Atlantic's accounts (in £'000).

| Year | Revenue (£'000) | Expenses (£'000) | Profit Before Tax (£'000) | Profit After Tax (£'000) | Net Margin (%) |
|---|---|---|---|---|---|
| 2023 | 10,984 | 6,912 | 4,072 | 3,311 | **28.00%** |
| 2022 | 11,107 | 6,991 | 4,147 | 3,150 | **28.40%** |
| 2021 | 10,867 | 6,776 | 4,344 | 3,052 | **28.10%** |
| 2020 | 10,228 | 6,817 | 3,507 | 2,966 | **29.00%** |
| 2019 | 9,677 | 6,884 | 2,858 | 1,813 | **18.70%** |
| 2018 | 9,015 | 6,211 | 2,898 | 2,294 | **25.40%** |
| 2017 | 9,823 | 6,334 | 3,572 | 2,594 | **26.40%** |
| 2016 | 9,478 | 5,728 | 3,838 | 2,859 | **30.20%** |
| 2015 | 9,412 | 5,463 | 4,037 | 3,030 | **32.20%** |
| 2014 | 8,720 | 5,243 | 3,559 | 2,570 | **29.50%** |
| 2013 | 6,227 | 3,639 | 2,660 | 1,992 | **32.00%** |




- **Revenue Growth**: Revenue has grown steadily from **£6.2m in 2013** to over **£11.1m in 2022**, showing strong long-term growth.

- **Consistent Profitability**: Profit before tax remains strong, generally between **£2.6m–£4.3m**, despite cost increases.

- **Rising Costs**: Total operating costs have also increased from **£3.6m in 2013** to nearly **£7m in 2022** but revenue growth has outpaced them.

## Are these profit levels reasonable?

Based on both research and my experience, net profit margins of 3% to 10% are typical for small telecom operators, while mid-sized operators usually report margins in the 5% to 12% range. Telecommunications are now considered a commodity business after all.

In this context, Sure's average net margins of **29%** appear unusually high. Combined with the substantial dividend payouts, it reinforces the impression that Sure may be operating as a monopoly 'cash cow' for Beyon (Batelco). A cash cow is a business, product, or division that consistently generates high levels of cash flow or profit with relatively low ongoing investment or operational cost.

By the way, Sure Falkland Islands' contribution to Beyon's £884 million in 2023 revenue is negligible – just 0.012% of the total.

## Sure's Service revenues.

**SURE SOUTH ATLANTIC LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

Now that we have an estimate of the revenues that can be allocated to Sure Falkland Islands (Sure), the following data from the 2023 Sure South Atlantic P&L allows us to calculate the estimated product line revenues for the Falklands as well.

**Sure South Atlantic Service revenues**

**10 Revenue**

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Revenue analysed by class of business** | | |
| Adjacent services | 2,331 | 2,488 |
| Data communication | 1,448 | 1,502 |
| Fixed broadband | 8,763 | 9,060 |
| Fixed line telecommunications services | 2,222 | 2,341 |
| Mobile telecommunications services | 3,542 | 3,121 |
| | 18,306 | 18,512 |

**Note:** "adjacent services" refers to revenues from offerings that are not part of the company's core business, but are closely related or complementary to it. It could be conjectured that these numbers would not be affected by Starlink approval.

**Sure Falkland Islands Service revenues**

Again, using the 60% estimation, Falklands' service revenues can be calculated:

**Estimated Sure Falkland Islands Product Line Revenues**

*(60% of Sure South Atlantic revenue)*

| Revenue by Class of Business | 2023 (£'000) | 2022 (£'000) |
|---|---|---|
| Adjacent services | £1,399 | £1,493 |
| Data communication | £869 | £901 |
| Fixed broadband | £5,258 | £5,436 |
| Fixed line telecommunications services | £1,333 | £1,405 |
| Mobile telecommunications services | £2,125 | £1,873 |
| **Total** | **£10,984** | **£11,108** |

**Sure Falkland Islands estimated total data service revenue is £869m + £5,258m = £6,127m**

## How will Starlink impact Sure's P&L?

What we would like to conjecture/estimate/guess is what the impact of the widespread use of Starlink in the Falkland Islands would be on Sure's P&L

Table #1 and Table #2 show the number of houses that could have a Sure broadband account and the current costs of Sure's broadband packages (ignoring the new unlimited packages).

| **Housing units (2021 Census)** | **Total** |
|---|---|
| **Table #1** | |
| Stanley | 1147 |
| Camp | 140 |
| MPC | 227 |
| **Total houses [Internet accounts]** | 1514 |
| **Increase post 2021 of 20%** | **1817** |

| **Sure Internet packages** | **Cost/mth** | **Cost/Yr** |
|---|---|---|
| **Table #2** | | |
| XSML | £15.0 | £180.00 |
| SML | £37.0 | £444.00 |
| MED | £82.5 | £990.00 |
| LRG | £110.0 | £1,320.00 |
| XL | £198.0 | £2,376.00 |
| PRO | £330.0 | £3,960.00 |
| PROXL | £467.0 | £5,604.00 |

| Package split (Estimate/Guess) | % |
|---|---|
| Table #3 | |
| XSML | 5.00% |
| SML | 15.00% |
| MED | 20.00% |
| LRG | 15.00% |
| XL | 15.00% |
| PRO | 20.00% |
| PRO XL | 10.00% |
| Total %: | 100.0% |

| Starlink Uptake (Estimate/Guess) | % |
|---|---|
| Table #4 | |
| XSML | 0.00% |
| SML | 0.00% |
| MED | 0.00% |
| LRG | 50.00% |
| XL | 65.00% |
| PRO | 80.00% |
| PRO XL | 80.00% |

**Caveat:** It's a realistic assumption that every dwelling place has a Sure broadband account.

Table #3 is an estimate/guess of the number of broadband users using each package. Table #4 represents the estimated % of users who could reasonably migrate to using Starlink.

What-if analysis of the spreadsheet indicates that marginally adjusting these percentages does not significantly impact the results.Using the above figures, Table #5 estimates or guesses that the total revenue derived from broadband services based on housing units before the use of Starlink, could be nearly £4m with a high take-up of 80% of larger packages migrating to Starlink, Sure's broadband revenue could drop to just under £2m showing a overall financial hit of 48%.

| Package | No Starlink Revenue | With Starlink Revenue | % Loss |
|---|---|---|---|
| XSML | £16,351 | 0 | 0.00% |
| SML | £120,999 | 0 | 0.00% |
| MED | £359,726 | 0 | 0.00% |
| LRG | £359,726 | £171,688 | 47.73% |
| XL | £647,508 | £342,231 | 52.85% |
| PRO | £1,438,906 | £863,343 | 60.00% |
| PRO XL | £1,018,135 | £526,727 | 51.73% |
| | | | |
| Total | £3,961,351 | £1,903,988 | 48.06% |

**Caveats:**

- Countless variations of numbers could be used in the calculations, and it is impossible to attempt to calculate all possibilities, requiring a significant amount of effort.
- The calculation assumes that everyone who uses Starlink would drop back to using Sure's MED broadband package for backup purposes.

## Quick Analysis of the Calculations

These calculations have been undertaken solely for the fun and challenge of doing so and should not be used as any guide to Sure's profitability – or lack of it – in any way.

Data revenues

First, Sure Falkland Islands estimated total data revenue is £6,127 million, as derived from Sure's audited profit and loss statement (P&L) for 2023. Second, using a bottom-up calculation based on the number of houses with a broadband account, the Sure has a total broadband revenue of £ 3,96 m. These totals differ by £2,966; so, what is the reason for this difference?

Sure has additional revenue sources, including FIG's intranet contract, FIG's satellite capacity support to Sure of over £1m per annum, first approved in September 2019 and later extended in July 2022 for a further three years, business contracts, and contracts with MPC. The October 2024 MPC MOD contract had a total value of £3.7m, and the January 6, 2025, BFSAI *Enhanced Business Broadband Phase 2* contract had a value of £1.43m.

The key point to note is that Starlink operations will not impact these additional revenue streams as listed in the P&L.

## Impact of Starlink on the totality of Sure revenues

What is the impact of the guessed £2m loss of revenue due to the use of Starlink on the guessed overall 2026 numbers?

| Sure Falkland Islands product line revenues: | | |
|---|---|---|
| | 2022 | 2026 |
| | £'000 | £'000 |
| Revenue analysed by class of business | | |
| Adjacent services | £1,399 | £1,399 |
| Data communication | £869 | £869 |
| Fixed broadband | £5,258 | £3,200 |
| Fixed line telecommunications services | £1,333 | £1,333 |
| Mobile telecommunications services | £2,125 | £2,125 |
| | | |
| **Total** | **£10,984** | **£8,926** |

These calculations suggest that deploying Starlink in the islands would lead to an overall financial loss for Sure of approximately 20%. Though notable, this level of loss is likely

manageable for most companies. So, why is Sure insisting that Starlink would 'break' their profitability to a point where their business is unsustainable?

Morgan Stanley forecasts that Starlink revenue could reach a stunning US$48 billion by 2030 and that telcos worldwide will stand to lose tens of billions in global broadband revenue, particularly in underserved and rural segments. The precise impact varies by market, but **rural-focused providers may experience potentially severe revenue declines of tens of per cent.** This forecast aligns nicely with the calculations presented in this post.

## Sure's views on profitability.

I wrote a previous email focusing on this subject: 'Sure Warns of Profit Loss as Starlink Lands in the Falklands at the end of March 2025.'

As a reminder of some of the comments made in the March presentations or in Sure's submission to the VSAT Select Committee.

> ***Q: "****Could you publish that information, though, the profits, so we can make a decision from that?* ***A:*** *"No, I can't share that information with you right here and now. But the point is that if the Falkland Islands cannot sustain two, three, four operators, it's just simply not big enough."*
>
> *"…we've got our costs in terms of the people that we employ here, we've got our costs in terms of the capacity that we're spending millions of pounds on, and we can't overnight cut those costs to zero. That's not how it works. And if we want to be able to provide those services in an ongoing way, supported with a local team, it requires very significant investment to be able to do that. And there isn't room in the market for two operators."*
>
> "*It is our view that should there be an increase in VSAT licenses in the islands and or the licensing of Starlink, it will seriously undermine our ability to do this."*
>
> *"…if Starlink was to come across, come into all of our islands, yes, we would not make any profit."*

Are the calculations undertaken in this post so dramatically wrong that this stance can be justified? As far as I know, in July 2025, Sure have still not provided FIG with any substantive financial data to justify their extreme statements made in the March presentations.

Even though the calculations made in this post are only estimates, barely better than guesses, I find it hard to believe or understand those statements have any veracity in practice. However, I can only leave it to readers to form their own opinions.

## Conclusions

Sadly, the deeper you dive into Sure's financials, the murkier the waters seem to become. What should be a straightforward examination of company performance, especially when public policy and national infrastructure are at stake, turns instead into an exercise in extrapolation, approximation, and educated guesswork.

While Sure South Atlantic refuses to publish financial data specific to the Falklands, the numbers we *can* estimate tell a very different story from the doom-laden messaging issued earlier this year by Sure South Atlantic's CEO. Based on published profit and loss statements (P&Ls), Sure Falkland Islands has experienced steady revenue growth, consistent profitability, and strong operating margins for nearly a decade.

Even accounting for potential broadband revenue loss due to Starlink operation, estimated at up to £2 million annually, this represents only an estimated 20% hit to total revenues. Any well-managed company with healthy historical profits *and a monopolistic position* should, in theory, be able to weather such a storm, especially one that plays out gradually, not overnight.

And yet, instead of engaging in honest dialogue or being transparent with the public and FIG, Sure has opted for silence and sweeping claims of impending collapse.

This lack of transparency is troubling, not only for what it reveals about Sure's attitude toward public accountability, but also for the precedent it sets. When a single telecoms provider has outsized control over digital infrastructure with no obligation to justify its actions or statements, the community loses more than just bandwidth. It loses trust.

This post does not claim to provide definitive answers. The numbers are best-guess estimates based on limited public data, cross-checked and reverse-engineered from filings and assumptions. But they do serve one purpose clearly: they challenge the narrative that the Falkland Islands are on the brink of financial ruin. If the company wants to be taken seriously in its warnings, it must start by doing something radical: sharing the facts.

The situation has changed markedly. The success of the Starlink Petition Group has shown that grassroots action and democratic engagement can lead to meaningful change. May that momentum continue!

One final thought-provoking calculation: If Sure Falkland Islands had functioned as a non-profit government entity with no need to make dividend payments from 2013 to 2023, approximately **£25,000,000** might have been reinvested directly into the islands' telecommunications infrastructure. A significant opportunity, in hindsight.

Now that's a figure worth reflecting on!

* * *

## Part 6: The End of the Line for Monopoly Telecoms?

This is the final post in the *Holding Islands Hostage* six-part series that has examined the current state of telecommunications in the Falkland Islands, highlighting a recurring pattern: ageing infrastructure, slow improvements, limited competition, and a single company, Sure South Atlantic and its subsidiary company, Sure Falkland Islands, continuing to dominate through exclusive licensing arrangements. Across the board, the result has been underwhelming service, high prices, and delayed innovation.

While Sure's presence has historically been justified by geography and scale, the situation in 2025 is different. New technologies, particularly low-Earth orbit satellite services like Starlink, have shifted the balance. For the first time, remote regions have alternatives. And that means monopoly models must now be questioned seriously and urgently.

The expiration of Sure's exclusive licence in December 2027 presents a rare opportunity to rethink how telecommunications are delivered in the Falklands. It opens the door to a more open, competitive, and accountable model. But that opportunity will only be realised if action begins now. Waiting until late 2026 or beyond to explore alternatives would repeat the mistakes of the past – delayed preparation, limited options, limited public input, and reactive policymaking.

The two core issues identified in this series remain unresolved:

- There is still no clear explanation for the delay in launching promised services like Starlink or unlimited broadband for all.
- There is growing concern that Sure is using future investment as a bargaining tool to secure continued exclusivity, rather than delivering improvements as part of its existing obligations.

At the same time, FIG and the Legislative Assembly are reviewing the options for what comes after 2027. Taken seriously, this could lead to a modernised regulatory framework based on a public/private arrangement; one that welcomes new entrants, separates

universal service obligations (USOs) from monopoly licensing, and holds providers accountable for their performance, not just their promises.

The critical next steps are relatively clear:

1. **Transparency** – The stakeholders deserve access to accurate information on Sure's performance, future plans, and financial claims.

2. **Engagement** – Islanders, businesses, and community groups must be part of the discussion on what kind of telecoms model will serve the Falklands best in the long term.

3. **Regulatory Capacity** – FIG must strengthen its ability to evaluate providers, enforce service standards, and manage a competitive licensing environment, including mechanisms to support USOs without relying solely on cross-subsidisation under a monopoly model.

4. **Market Testing** – Alternative providers should be actively encouraged to participate in the Falklands market. The Starlink licence is a promising first step, but other options should be explored to avoid dependence on a new single supplier.

5. **A Clear Roadmap** – A timeline should be published outlining how FIG intends to transition away from exclusive licensing, including criteria for future service delivery, funding mechanisms for Camp connectivity, Stanley fibre upgrades, and how competition will be introduced or managed.

The goal is not to punish any specific company. It is to ensure that all residents of the Falklands, whether in Stanley or in Camp, have access to affordable, reliable, and modern digital services. That cannot happen without systemic change. And it will not happen without political will.

This is a turning point. The next two years will determine whether the Falklands step into a future of competitive, resilient telecommunications or remain locked into a structure that has already shown its limits. This is no longer a question of technology or feasibility. It is a question of governance and priorities.

Failure to show a thought-out vision by the Legislative Assembly and FIG risks locking the Falklands into another decade (or 12 years) of digital underperformance. Islanders may continue to pay more for less, businesses will face barriers to growth, and opportunities in education, healthcare, and remote work will remain out of reach, particularly outside Stanley in Camp. With the Starlink decision, the first step has been taken.

The situation has changed markedly. The success of the Starlink Petition Group and its petition has shown that grassroots action and democratic engagement can lead to meaningful change. May that momentum continue!

* * *

# Appendix: Comments by Dr Chris Doyle

**Comment #1**

Some of you who visit this site may recall that I advised the FIG on policy relating to licence renewals for then C&W during the early to mid-2000s. I also advised on the need for and the setting of a regulatory price cap. Having privileged sight of company financials, I calculated and recommended new lower tariffs that allowed the monopolist to enjoy a fair return on its employed capital and more importantly safeguarded consumers from monopoly abuse. It's now 2025 and the wheel of fortune has turned around to the same question – but the elephant in the room is Starlink. Back in the 2000s it was VSAT access that irked C&W. Today it's Starlink that irks Sure. The questions remain the same: it's a case of Back to the Future!

So where are we? Chris Gare has done his best with public information to suggest Sure is profitable, has been profitable and will likely remain profitable notwithstanding Starlink. In other words, even allowing for some customers to pay an annual licence fee of £180 for a VSAT terminal and use Starlink, Sure in his opinion can still maintain its operations profitably. Of course, Sure might contend otherwise, but as far as I am aware they have not presented a case that can be forensically scrutinised in public.

But let's address the elephant in the room. For decades the Falkland Islands has had a statutory monopoly (first C&W, then Sure owned by Batelco) supplying services. No one disputes the services are essential (indeed, in the UK they would probably be designated critical national infrastructure under new legislation). Controversy surrounds the terms made available for the services offered, and the quality of service provided. In regard of the former, the perennial question is: Is Sure earning a fair return or an excessive return? Meaning are prices fair or too high? In some respects, this is the easier question to address – if they are too high FIG possesses the means to address the problem: price regulation.

But what about service quality? In considering the issue of a new licence, FIG has an opportunity to consider licence obligations that are fit for purpose, future proof (at last over ten years) and fair. In this respect, I contend we need to ask: is it sensible to have a Falkland Islands that has a two-tier population: the have Starlinks and the have-nots. I propose that FIG considers applying an obligation that requires any future licensee to offer community access to Starlink. Why on earth waste the current local infrastructure and have multiple VSATs in Stanley? Let me explain further.

There are several telcos around the world who have signed agreements with Starlink to use large community gateways (Nauru Telecom in the Pacific, OptimERA xG in Unalaska, Alaska, Kativik Regional Government (Northern Canada), FSM Telecom, Micronesia). How does it work? The satellite signals land via a large Ka-band earth station (the kind Sure already have) for around £60,000 per Gbps pm. The signal can then be distributed on the terrestrial and wireless networks deployed by Sure – pretty much the model it uses with its current access provider Intelsat on C-band. Incidentally, the cost of the data connection on Intelsat is around the same or more than Starlink's community gateway model.

Distributing Starlink's signal can reach speeds of 10 Gbps, the connection can be symmetrical and it far exceeds what is offered through the Intelsat system used by Sure. Latency on Starlink is less than 100ms, versus around 300ms on Intelsat. So all in the Starlink service is far superior.

So what's to lose? FIG should mandate that the new licensee signs a community gateway deal with Starlink. Falkland Islanders would get a far superior service, for the benefit of all and especially those in business and government. Costs are unlikely to differ much. There is no need for a proliferation of VSATs in Stanley – service can be distributed on overhead fibre using existing poles.

Most of Sure's physical access assets in the Falkland Islands can be used in a Starlink community gateway model managed and distributed by the exclusive licensee. Regulation can ensure fair prices. If Sure claims its copper network would need to be written off; good. It's been written off all over the world as telcos salvage the copper for scrap! Much of it has been there for decades and should be written off.

It's time to let the future move on and let Falkland Islanders enjoy a quantum leap in Internet experience: health, education, leisure, business and government will all benefit and the economy of the Falkland Islands will be stronger as a consequence. From gamers to medics, home workers to tourists, government workers to private businesses, the future is not orange (for those who remember the strapline), it's Starlink through a community gateway!

**Comment# 2**

In my view competition within the market will always be limited in the Falkland Islands, given the small scale of the market and lack of a terrestrial fibre drop-off. The Falkland Islands will probably find it optimal to have a single entity manage service delivery of satellite services (as is the case today). But the future model need not be one that perpetuates the legacy of the past. As I argued in a reply to your last post, I would strongly argue for a community gateway model with an exclusive on island infrastructure manager, subject to regulatory oversight. The local infrastructure manager should contract with Starlink (or other suitable provider) and invest in a modern local distribution network that accelerates services to best in class, given the circumstances. In the interim, users should be permitted to use VSAT to contract directly with Starlink. Once a community gateway is up and running and offering customers a service that is at least as good as that directly available and on financial terms no worse, users should be required to connect to the community gateway. The real competition lies in space: Intelsat v. Starlink (and other LEOs). On island, competition will be muted. There is the potential for a bright future, and one in which an infrastructure manager on the islands can help deliver state-of-the-art satellite services.

* * *