



SHEFA-2 laying gold

TELECOMMUNICATION

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The Faroese Telecommunications company Faroese Telecom is in the process of building up new markets outside of the Faroes. Faroese Telecoms subsidiary Shefa has already signed long-term contracts with the UK oil giant BP and UK telecommunications giant British Telecom (BT) to supply platforms west of Shetland and the people on the Orkney and Shetland islands with capacity. The next step will be to progress further into the North Sea, writes Sosialurin.

When the SHEFA-2 fibre optic submarine cable was underway, some bright heads at Faroese Telecom saw some completely new opportunities to realize additional income from this very advanced communications cable. The idea was to try to link the oilfields west of Shetland to SHEFA-2 and thereby provide higher capacity and secure

telecommunications connections compared to the considerably limited capacity and more insecure satellite communications in use. The result was that Faroese Telecom and BP sat down together and decided to deploy additional cables between the two oilfields Schiehallion and Clair to SHEFA-2 and agreed to sign a long-term contract.

Links to the main cable

Earlier this year, the Schiehallion production vessel and the Clair production platform were tied into the main cable between Shetland and the Faroes. The connections have been tested and now everything is up and running, says Mr Davidsen the Faroese Telecom CEO.

Mr Davidsen and Mr Vesterbú, who is the technical manager at Faroese Telecom, are very pleased to have passed through the eye of the needle at BP, who has now approved the project. It is not an easy task to have a new project approved by a large

oil company like BP. Many of the BP routines are extremely cumbersome to negotiate, not least all the many security issues.

To have been approved by BP opens the door for Faroese Telecom to market their services, which have been accepted by one of the worlds largest oil companies.

All in all, very good news for Faroe industry in general.

Beneficial for the Faroe user

For all Faroe broadband users, the BP contract could mean that Faroese Telecom services could become cheaper in the future, as there are more clients to pay for the operation of the cable, apart from the initial investment. This first Faroese Telecom business venture outside of the Faroes however could spread like rings in water. Negotiations are already taking place with other oil companies to deliver similar IT and communications services.

Opportunities between Shetland and the Faroes are of course being looked at, but at the moment, the most promising area seems to be in the North Sea, where oil companies are interested in these new high capacity fibre connections.

The technical manager, Mr Vesterbú says they have the option to lay additional cables offshore from shore-based SHEFA-2 locations either in Orkney or Shetland. The main SHEFA-2 cable runs from Scotland to Orkney, to Shetland and on to the Faroes.

Island development

Yet another benefit is to be gained from the SHEFA-2 cable and that is the new telecommunications opportunity the islanders on Orkney and Shetland now are presented with. An agreement has been signed with the UK telecommunications giant BT to sell capacity to these island communities. This is an area, which BT