

Replies to Bidder's Queries (Batch-1)

Project ID:

NG-BSD/NHW/LOT-1/2018

6-July-18

Sr.No	Queries	Document Ref:	USF Response
1	There is no option to demand partial OPEX for 3 Years and format of Annex-1 has also been changed accordingly for this project.	RFA	OPEX is not included in this project because these are logistically accessible areas.
2	It is requested USFCo to continue the provision of partial OPEX in all projects (including this project) in line with existing practice, as the flexible competitive bidding is the best option to optimize outcome of the auction.	RFA	OPEX is not included in this project
3	The OPEX omission coupled with additional/enhanced obligations will affect the business case of the BSD projects in general and this project in particular.	RFA	OPEX is not included in this project
4	please clarify the scope of this obligation w.r.t. part of network under consideration and how long it would be mandated?	Clause 16.4 of RFA	<p>“National Roaming” is the ability for a customer of mobile communications to make and receive telephone calls, send and receive data, or access other services while travelling outside the geographical coverage area of the home network, by means of using a network of another operator.</p> <p>It will be mandatory for NG-BSD Program for Highways/Motorways and for term of the contract</p>
5	How many operators will be allowed to share services on National Roaming?	Clause 16.4 of RFA	The winning service provider will be REQUIRED to open up USF Segment of the network for roaming to all USF Contributors/Operators
6	The USF service provider's KPIs under the contract and that of potential Roaming partners' license KPIs would be different. Therefore, the number of concurrent customers should be on mutually agreed terms – Please confirm and elaborate if there is any guidelines w.r.t. concurrent customers.	Clause 16.4 of RFA	From a consumer perspective, roaming should be default on. USF Service provider and other network operators can make an agreement on network KPIs, estimated number of customers, by mutual agreement while adhering to QoS requirements as per their license.
7	National roaming should be on mutually agreed commercial models between operators- Please confirm	Clause 16.4 of RFA	Agreed whereas Roaming charges ceiling for winning operators is 1.5 times the tariff of given USF area/segments. The goal of the ceiling is to encourage a fair market negotiation
8	Few cities are yellow highlighted along the road. Whether these cities are optional/mandatory in planning stage OR only the roads leading to these cities need to be covered as mandatory area?	Schedule C of SSA	Provision of USF services for unserved roads is mandatory. Yellow highlighted cities are only for reference and for better representation of map. Coverage for these cities is not required under this project.
9	No population is shared this time. Now in this lot, seamless coverage is required to the identified road segments to provide data rate defined in Schedule B of draft SSA (Annex-6 of RFA). Since population is not shared in this Lot, so there is no visibility of users.	Schedule C of SSA	The primary target of this project is road coverage, hence population data is not relevant. USF service providers are required to provide seamless coverage for roads and plan network as per their assessment of expected number of all users (USF SP + Roaming). For planning USF network for road coverage, it is mandatory to plan all sites with at least 10 Mbps backhaul per site and 2 TRXs per sector.
10	Data rate varies according to population & hence desired data rate DL of 512kbps would vary depending upon users. Please provide us the population along with percentages of population for coverage design (e.g. 60%) and percentage population for Data Rate (e.g. 1% of 60%)	Schedule B & C of SSA	Please refer to reply to query no. 9
11	Technology details missing. As these are road sites so will they need to be on both 2G/3G?	Schedule A & B of SSA	USF Projects are technology neutral, the bidder may choose suitable technologies to provide USF Services. USF Services are defined in Schedule A, B of SSA and replies to bidder's queries.
12	What is the minimum data throughput that operator need to assure on these sites?	Schedule B of SSA	USF Data Services are defined in Schedule B of SSA. The data rate required for downlink is 512Kbps and uplink is 128Kbps
13	What is USF view on this lot in terms of coverage continuity as these are road sites?	Schedule C of SSA	USF SP has to provide seamless coverage to unserved segments of the highway as identified in Schedule C of SSA.

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14	Why USF is making National Roaming mandatory? It should be a capability available in USF Network which may be availed after bilateral agreements between operators. Furthermore, an SP cannot ensure that other operators will enter into an agreement for the same. Furthermore, testing of such capability during audit will be challenge.	Clause 16.4 of RFA	Telecommunication Policy 2015 generally and specific to Universal Service (under section 7.6.1) encourages national roaming in accordance with mobile license terms and requires these offering to be made expeditiously. Unlike other USF areas, Highways and Motorways are different, and the predominant user percentage is going to be Roamers. We can not subsidize a project for public use where the majority of the users will be unable to avail the services. Testing of National Roaming capability will be done by verifying proposed hardware and software BoQs, Licenses, provisioning and wherever applicable field test using a test roamer.
15	Milestones payments should not be tied with the National Roaming services.	Clause 16.4 of RFA and Schedule D of SSA	Please refer to answer No. 14.
16	National roaming will be offered to one operator on first come first served basis or it will be open to all operators?	Clause 16.4 of RFA	clause 2.05(a1) may be read as. "USF Service Provider shall also provide Roaming facility to all requesting USF contributors." .
17	Roaming Tariff should not be regulated, it should have maximum caps only. Retail tariffs and packages are complex. Thus, difficult to fix tariff of roaming customers as a factor of USF SPs tariff. Usually the operators have bundle minutes agreement and so on. On the aspect of setting up National Roaming Tariff, It should be left to the market dynamics. No regulations or policy are in place for such tariffs and USF doesn't have the mandate to do so. Industry will get back to USF after consultation with their respective management(s).	Clause 16.4 of RFA	Agree, the tariff for national roaming is not being regulated whereas a maximum cap is being implemented on USF projects where National Roaming has been made mandatory for the project. The maximum cap of 1.5 times the tariff of given area/segments is being set for winning operator.
18	If the roaming of other network subscriber is opened by the host SP, the host SP will not be responsible for restrictions imposed by the guest network on their sims, like forbidden lists etc. This may be a big challenge as roaming users may have to obtain unlocked SIMs from their respective Operator.	Clause 16.4 of RFA	Roamer SP is responsible for making the arrangement to enable the use of roaming facilities for its customers. Modalities for the same is left to the mutual agreement of the SP's.
19	Active sharing is more feasible for operators than Roaming. Establishment of neutral host through tower companies could be another possibility.	Section 16 of RFA	USF is looking forward for turnkey solution where seamless coverage is made available to all commuters passing through the USF area. Roaming arrangements give a quick solution for this purpose. Further there is no restriction on active sharing in USF projects.
20	Highway and Motorways sites many not have sufficient traffic to sustain Opex. CPEC activity is yet to reach a boom. Thus, Opex subsidy should be provided in a way similar to previous USF BSD Projects. Opex should be included in this 1st Project / Pilot Project. The 3 years' taper down model will ensure sustainability of USF Network. Wouldn't it be better to start pilot from established areas say Punjab?	RFA	It's nothing new as initial projects launched by USF did not offer any OPEX. The areas being include here are settled, secured and of strategic importance. Army and law enforcement agencies also have presence in the area. CPEC traffic is increasing with passing days and expected to boom during implementation (18 months) of the project.
21	QoS parameters may vary from operator to operator, will USF service provider maintain its own QoS for guest users?	Schedule A and B of SSA	Host QoS parameters will prevail as long as they are in compliance with the regulator's requirements.
22	Subscriber Marking and Legal Interception for roaming users will pose a big challenge to the host Service Provider	Clause 16.4 of RFA	Since every Operator has arrangements for legal interception its merely establishing a mechanism with law enforcement agencies for handling of roaming users.
23	Instead of asking for a configuration of 10 Mbps backhaul per site and 2 TRXs per sector, USF should leave the minimum site configuration estimation to Operators who choose to participate in the bid as long as the operators conforms to coverage and provision of services in USF areas. Industry will get back to USF after consultation with their respective management(s).	Annex 5 of RFA and Schedule C of SSA	10 Mbps backhaul per site and 2 TRXs per sector is the minimum configuration required by USF. Bidders have the flexibility of offering a complaint or over and above solution as per their analysis.

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24	Necessary OFC infrastructure is not available along pilot project. USF should first do a fiber project along the route or otherwise include OPEX in the project.	RFA	Please refer to Section 42.8 (a) (I) of RFA, which states that USF service Provider shall; "extend transmission and/or backhaul facilities into the USF Areas, with sufficient planned capacity to meet the requirements of the USF Services;" USF expects the operators to be innovative in this regard.
25	As a matter of principle, the USF RFP's should be limited to the license conditions and other rules and regulations of the Government.	RFA	All USF Projects are subsidized by USF. This is a pilot project. Lessons learnt from the project may change the future course of action for similar projects. Further please refer to Clause 27 of RFA which states that: "A USF Service Provider shall be required to comply with all laws of Pakistan applicable to its USF Services activities at all times, including the Act, all regulations, rules, orders, decisions and guidelines issued under the Act."
26	The regulatory regime followed for National Roaming as chartered in Clause 2.7.1 of the Mobile Cellular License should uphold that give licensees the option to enter into national roaming on mutually acceptable terms and on reciprocal basis.	Clause 16.4 of RFA	National Roaming is mandatory for this project. Please refer to answer No. 14.
27	Clause 27(2) of the USF Rules bars operators from declining infrastructure and essential services developed through USF funding, therefore, instead of national roaming, infrastructure sharing must be focused to ensure that there is adequate competition in USF lots.	RFA	National Roaming is mandatory for this project. Please refer to answer No. 14. Further please refer to clause 2.05 of SSA, infrastructure sharing is also mandatory for USF.
28	National roaming must be encouraged but only after thorough feasibility to account for all costs involved.	Clause 16.4 of RFA	National Roaming is mandatory for this project.
29	Given that managing site performance and upkeep requires significant spend, the current subsidy model ensures project stability and helps in managing project returns. Given that the existing framework allows for initial OPEX relief in terms of network management, it is critical that we retain this to ensure this project creates value for all stakeholders involved.	RFA	Opex is not included in this project.
30	We would like USF to clarify as to why has it mandated National Roaming in the subject BSD Project. Infrastructure sharing has been mandated in accordance to Rule 27, however, there is no such provision for mandating National Roaming in the USF Rules.	Clause 16.4 of RFA	Please refer to the answer for question no 14.
31	During the Pre-Bid conference on 21 June, 2018; USF is proposing to establish a National Roaming price ceiling of 1.25 to 1.5 times of tariff of the winning operator. As mentioned earlier, National Roaming is allowed in our licenses and operators are encouraged to exercise National Roaming on commercially viable terms without any regulatory intervention. The cellular market in Pakistan is a highly concentrated market when it comes to competition and it has never been subject to regulating retail tariffs. Again, as mentioned earlier, USF RFPs should be limited to ACT, Rules, Regulations and License conditions. We insist that USF leaves the market forces to decide on the commercial terms and arrangements for National Roaming.	Clause 16.4 of RFA	Please refer to Q No. 17
32	We understand from the RFP that the winning service provider shall share the USF Network infrastructure and facilities with at least one requesting USF contributor, on a first come first served basis; please confirm the same understanding for this project.	Section 16 of RFA	Yes this part is same as earlier BSD projects. Only National Roaming with all requesting USF Contributors has been made mandatory for this project.
33	Without prejudice to our position on mandating National Roaming and establishing any price ceiling; clarification is required from USF; will National Roaming be open for all operators as presented in the Pre-Bid Conference OR shall the service provider be required to provide National Roaming on first-come-first served basis as mentioned in clause 2.05 (a1) of the Draft SSA - Annex 6 of the RFA.	Clause 2.05 (a1) of SSA	Please refer the answer to the Q No. 16.

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34	without prejudice to our position on mandating National Roaming and establishing any price ceilings; we would also like to bring to USF's attention to technical constraints in implementation of National Roaming and opening it for all operators in terms of Legal Intercept. How legal intercept will be handled as currently end marks only operator specific number in the network and gets user payload from that network? Bringing three other operators should be vetted from end user and also capacity requirements should be consulted from end user?	Clause 16.4 of RFA	Since every Operator has arrangements for legal interception its merely establishing a mechanism with law enforcement agencies for handling of roaming users. Further Modalities for prearrangement of guest customers on host network as well as home network have to be agreed upon before opening the roaming facility.
35	Whether GGSN/GW/ISP network will be used from Host network or Guest network for data traffic?	Schedule A and B of SSA	Technical modalities for offered solution are to be addressed by the bidding service Provider.
36	How MNP call will be handled as different operator are using different mechanisms and prefixes for handling MNP? May need many changes in guest network charging / billing systems to be compatible with host network prefixes etc.?	Schedule A and B of SSA	Technical modalities for offered solution are to be addressed by the bidding service Provider.
37	USF needs to clarify whether milestones delivery is linked with National Roaming or not?	Clause 16.4 of RFA and Schedule D of SSA	Yes milestone delivery is linked with National Roaming. Further refer to reply of Query no. 14.
38	OPEX should be included in the subject BSD Lot.	RFA	Opex is not included in this project.
40	National Roaming should not be mandated rather encouraged alongside encouraging use of infrastructure sharing as it is allowed in USF Rules and also ensures adequate downstream competition in USF Lots.	Clause 16.4 of RFA	National Roaming is mandatory for this project. Please refer to answer No. 14.
41	National Roaming is already allowed and licensees should be free to negotiate a commercial arrangement with one or more operators on mutual agreed terms.	Clause 16.4 of RFA	please refer to question 14 & 16
42	The requirement of high-speed reliable backhaul to provide seamless broadband coverage along the highway. We believe that a major portion of the highway is still un-served w.r.t optical fiber availability. The only optical fiber network available for commercial use is between Pasni to Jiwani and there is no commercially available optical fiber between lasbela and Pasni.	Schedule A and B of SSA	Please refer to question 24
43	National Logistic Cell (NLC) laid optical fiber cable for DefComm, a public sector defense organization along the coastal highway. The DefComm optical fiber cannot be used for commercial use for a number of reasons as DefComm is not a licensed operator to provide telecom infrastructure or services to commercial entities. The reliability of the said fiber is also a question mark.	Schedule A and B of SSA	Please refer to question 24
44	USFCo should also start a separate project for optical fiber connectivity along the coastal highway between Lasbela and Pasni. This will enable access services providers to cover the highway with high-speed broadband for the commuters traveling on the coastal highway	Schedule A and B of SSA	Please refer to question 24
45	Definition of National Roaming in SSA is different from definition of same in RFA. Please clarify	RFA and SSA	Definition of National Roaming in SSA should be read as follows: "National Roaming" is the ability for a customer of mobile communications to make and receive telephone calls, send and receive data, or access other services while travelling outside the geographical coverage area of the home network, by means of using a network of another operator.
46	Timeline for bid submission is not sufficient for effective planning of the Project.	Annex-8 of RFA	Bid submission timeline is being extended for a period of 3 weeks.