

Mobile Communications Tender

Questions and Answers

Revised August 17, 2003

The following questions have been presented to MoTC since the tender offer regarding the tender or specific aspects of the tender for the mobile communications network. Names of those submitting questions have been removed and only generic information is provided in order to preserve the transparency of this tender. A running list of the questions will be provided as they are received and addressed by the CPA.

Added on August 17, 2003

Note: The web page for the mobile tender now has a link to the microwave links that ITPC has a previous record of existing. The information listed is by frequency and by location. However, ITPC can not verify that the links are active. Per the Statement of Objectives, bidders should be aware of the potential for interference. The CPA is beginning an effort to relocate these links to other spectrum bands, however, bidders may bear the costs of retuning.

Q103. Please clarify your answer to question 96, where you state that "The Excel spreadsheet entry should reflect the MINIMUM cost package on a recurring basis." This contradicts the labeling of the Excel template, which bears the header "Maximum Usage Cost Information". Please confirm that the maximum is indeed the response required.

[A103.](#) Thank you for the correction; yes, we do mean maximum.

Q102. Can we add comments against line items on the Excel spreadsheet?

[A102.](#) You may add comments to the Excel spreadsheet data; however, our intent is to link your data into a larger spreadsheet of all bidders. When this happens, your comments will be lost.

Q101. As required, our main bid submission will follow the Word and Excel formats. However, we have several letters of commitments/documents from vendors which have been submitted either as scanned .TIF files or as .PDF files. We intend to submit all of these support letters and documentation in .PDF format. Is this acceptable to the adjudication team of the CPA?

[A101.](#) Yes as attachments to the Word/Excel submission.

Q100. The number of simultaneous calls that can be made system wide includes the model that would identify mobile-mobile, mobile-to-land, land-to-mobile, and inter-system calls (to voicemail). Is this correct?

[A100.](#) Yes, but should be reflected as a total of the voice channels available system-wide.

Added on August 15, 2003

Q99. Is it acceptable to provide the electronic document either as a .ZIP file (WinZip) which is a compressed version of the word file or as a .PDF?

[A99.](#) A .zip file of both the Word and Excel bid documents may be sent, but a .pdf file can not be accepted.

Q98. When is the performance bond of 30 million dollars expected to be furnished?

[A98.](#) At the time of license issue.

Q97. Where can we find data on the population of each city in the regions? Is there a link to a database for the purpose of the tender/bid?

[A97.](#) Table 1 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides as much information as we currently have regarding population figures for the regional municipalities.

Q96. Annex B mentions one-time costs (handset/connection) and recurring costs (monthly fee and 200 minutes). As recurring and one-time costs are not broken out in the Excel spreadsheet template, should this be entered? Is it required?

[A96.](#) The information requested in Annex B should be reflected in the bid documentation as part of the Word document detailing the two base subscriber plans. The Excel spreadsheet entry should reflect the minimum cost package on a recurring basis.

Q95. Since there was a delay allowed for submission of bids by 1 week, will there be related delays in license grant and any other milestones related to the overall bid itself and subsequent build?

[A95.](#) We expect to maintain the existing timetable.

Q94. The overall requirements in the RFP, from a network and quality point-of-view, suggest that from the very start Iraq desires to be at par and competitive with its immediate neighbors in wireless and telecom services. Was this based on the most advanced country neighboring Iraq?

[A94.](#) It is the desire of the tender and subsequent award of licenses to provide the people of Iraq with the best mobile services possible.

Q93. In the Region Excel spreadsheets, does the maximum number of simultaneous calls mean the same as the switch BHCA - Busy Hour Call Attempts?

[A93.](#) No. This question asks for total system capacity in the number of simultaneous calls that can be made system wide.

Q92. By supporting a minimum number of subscribers in 2 months, is it meant or intended that these subscribers will be able to make calls and have service available?

[A92.](#) Yes.

Added on August 14, 2003

Q91. Will an operator applying in 2 consortiums and having a shareholding of more than 10% in each of the consortiums be given the choice to decrease it's shareholding in one of the consortiums to the 10% limit in case both consortiums are awarded mobile licenses?

[A91.](#) No. A bidding entity must meet the 10% criteria independent of any other bid. There can be no restructuring after license award.

Q90. In the Excel spreadsheet, number 10 asks for a cost of handset capable of international roaming in Middle East countries. This seems to be the only cell where a handset cost can be placed. How can we get the two handset costs in?

[A90.](#) Use the lowest cost handset available that will provide the roaming services requested.

Q89. On the Bid Submission Excel spreadsheet roll out information (Within Region), the first column of the first table states "Geographic Coverage within Total Region (%)". Does total region mean the entire area of the region or the sum of the areas of the named towns with defined boundaries? In either case, how is the predicted coverage of the roads to be included?

[A89.](#) Paragraph 42 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding licensee geographic coverage requirements. Bidders should reflect the percentage coverage of the municipalities within the region (as listed in Table 1) of the license as well as along the major communication routes (highways) depicted in the region.

Q88. Is it correct to assume that it is the details of roaming agreements secured by the relevant parties to the application - a parent company, partner companies, or their subsidiaries - that is being requested?

[A88.](#) Yes.

Added on August 12, 2003

Q87. Roaming agreements are signed with the particular operator in each country instead of the global network operator. This would make response to items 10.1, 10.2, 10.3, 10.4 and 10.5 irrelevant.

[A87.](#) CPA specifically requests roaming agreements that have been made by potential licensees.

Q86. In reference to item 10.5 of Bid document, what is meant by network availability in relation to roaming?

[A86.](#) This item requests information regarding the extent, or coverage, of the networks with which the bidder has roaming agreements.

Q85. Can an operator who is part of a consortium A (formed by the operator & local Iraqi partners) submitting a bid in 2 regions (say North & Central) be part of another consortium B (formed of the same operator & other local Iraqi partners) submitting a bid for 2 regions (say central & South)? If the response is yes, are there any restrictions on the percentage of participation of the operator in each consortium?

[A85.](#) Each bid and the consortium composition for each will be considered independently.

Q84. What is the termination charge that the ITPC will pay the mobile operator for terminating calls on the mobile operator's network? Would it be possible to charge ITPC for 80% of the mobile operator's mobile to mobile (network) tariff?

[A84.](#) Termination charges by mobile operators must be arranged with ITPC by commercial negotiation.

Q83. Is there any spectrum utilization fee to be paid?

[Q83.](#) The only fee payable is the annual license fee.

Q82. If the bidder is not awarded a license after the 24 month period, can he sell the equipment to the new licensed operator or dismantle it and ship it outside Iraq?

[A82.](#) At the end of the 24 month license period, if an incumbent licensee does not have the license to continue to operate, that licensee may arrange for disbursement of its assets as it wishes.

Q81. The Document states that the ITPC has approximately 350 tower sites, yet the information on the web page shows far less than this. Can we have details and locations of all the tower sites?

[A81.](#) All details regarding the facilities, including towers, owned by the ITPC must be arranged directly with ITPC.

Q80. At the conference it was implied that the ITPC would be imposing a charge for the use of these sites. Could we please have budgetary pricing?

[A80.](#) All charges for use of ITPC facilities must be negotiated with the ITPC. An indicative tariff is available from the ITPC.

Q79. When the twelve month commitment is met and a national license is awarded, when will the obligation for national roaming be rescinded?

[A79.](#) The national roaming requirement will remain for the duration of the license.

Q78. Is it possible to obtain the tariffs of the existing operators in the North region?

[A78.](#) These are not currently available.

Added on August 9, 2003

Q77. Employment restrictions. While it is established policy and demonstrated practice to recruit a local workforce, the situation in Iraq requires expatriate staff to build and operate the business and to train local staff. [Company] would reserve the right to retain expatriate workers in Iraq for the duration of the license.

[A77.](#) Though there will not be restrictions on employment for the duration of the license, employment generation for Iraqis; use of Iraqi contractors and suppliers; and introduction of new technology will be preferred.

Q76. Exchange rates and controls?

[A76.](#) To the extent possible, we would require minimal exchange controls including a fast track procedure if controls exist; there is no control on exchange rates nor do we expect such controls in the future.

Q75. Restriction on repatriation of profits or capital for foreign investors?

[A75.](#) Given the magnitude of investment required to build and operate a mobile communications network, we would require minimal constraints; the CPA is looking at introducing policies and procedures designed to help facilitate economic growth and encourage foreign direct investment (FDI). Iraq does not currently restrict the repatriation of profits nor do we expect to in the future.

Q74. Will import duty, taxes or any other fees to be levied on import of handsets and infrastructure? We would require confirmation that all sanctions to the country – including those imposed by the US – have been lifted.

[A74.](#) Sanctions have been lifted. Import restrictions, duties and taxes have as an interim measure been lifted until 31 Dec. To help encourage foreign direct investment, we are looking at low and competitive duties and taxes for foreign investors to ensure a supportive and competitive environment for foreign investment.

Q73. Will there be a stable and clear tax regime that results in a competitive tax burden on commercial profits?

[A73.](#) CPA will encourage the Iraqi Interim Authority to employ open and transparent policies including those concerning the tax regime. Iraqi authorities are currently considering incentives such as tax break to encourage foreign direct investment.

Q72. The bidders are required to build into the price of the business package 100 minutes per month of roaming in neighboring countries. Is it terminating or originating minutes?

[A72.](#) Originating.

Q71. Which "neighboring countries" should bidders include in their subscriber package costing for business customers?

[A71.](#) Bidders may use the countries of their choice.

Q70. Does the 24-month license term run from license grant or service launch?

[A70.](#) License grant.

Q69. Bidders must submit a list of five broadly similar licenses or contracts. What is meant by "contracts" in this context?

[A69.](#) These licenses, or contracts, will be used to validate the bidder's ability to provide the stated services should they win the license. The licenses, or contracts, should be existing agreements between the bidder and other licensing authorities. Most will be licenses to operate.

Q68. Is it possible that the license term could be extended beyond the 24-month period?

[A68.](#) See paragraph 51.

Q67. What will occur if a future Iraq Authority has not been established by the end of the license period?

[A67.](#) The alternatives will be considered at that time.

Q66. Can a bidder be awarded more than one license?

[A66.](#) The intention of this request for bids is to award three licenses to three separate licensees.

Q65. What is meant by a "license agreement"? Will the successful bidder be awarded an administrative license or enter into a form of contractual agreement with the CPA?

[A65.](#) The successful bidders will be licensed to install and operate a mobile network.

Q64. Who will monitor and enforce license terms (who acts as regulator, when/how will it be constituted, what will its scope of regulation be etc.)?

[A64.](#) CPA.

Q63. How is geographic coverage measured? Is it just cell coverage as percentage of geographic area? What are the associated coverage metrics in terms of required signal strength?

[A63.](#) Geographic coverage should be reported in terms of cell coverage as a percentage of geographic area, however, this implies the area covered meets quality of service standards.

Q62. To what extent will failure to meet quality of service or coverage requirements be excused where such failure is due to security issues or lack of available power sources or other causes outside the licensee's control?

[A62.](#) Consideration will be given for circumstances beyond a licensee's control, however the general build-out and quality of service metrics will be seriously considered.

Q61. What is the penalty for failing to meet quality, service and coverage obligations? Is license revocation a sanction of "last resort" only?

[A61.](#) The CPA will consider all of the circumstances in determining failure to requirements.

Q60. Are all frequencies offered in Blocks A to C in the three regions currently available and free from interference? If not, when are they expected to be so?

[A60.](#) The only currently authorized uses of Blocks A, B, and C are MTC, MCI, and the three local operators in the northern region. The CPA will manage the spectrum so as to ensure appropriate access. Any unauthorized user will be terminated.

Q59. Are licensees only offered "national" licenses if the 12-month build-out target is met in all listed cities/municipal areas?

[A59.](#) The 12 month target must be proposed by the bidder and agreed to by the CPA. It is for the bidder to decide its preferred build program which may or may not cover all the listed areas.

Q58. In what circumstances would a second operator be offering services in the licensed region during the first 12 months of service? (Refer to paragraph 7 of the Statement of Objectives.)

[A58.](#) Alternative services may be provided nationally, if a licensee meets its 12-month build-out objectives early.

Q57. If an Iraq Authority is established during the term of the license, what guarantee is given that Order 11 and the terms of the license will be respected and upheld for the remainder of its term?

[A57.](#) See paragraph 54 of the tender.

Added on August 8, 2003

Note: Two new documents that changed the conditions on the statement of objectives were released on August 8, 2003. These changes may be seen on this web page.

Q56. In the bid document, one of selection criteria is "Maximum Number of Simultaneous Subscriber Calls". Typical GSM provisioning would use Erlang B table to generate the aggregate average erlangs available according to the number of total physical timeslots over the whole network. Does this requirement ask for the total number of physical timeslots or the total erlangs?

[A56.](#) The answer should be provided in actual user time slots and not in average expected traffic load; hence, the question asks for total call number capacity.

Q55. What is the meaning of “start of installation within 20 days”?

[A55.](#) It is expected that a licensee will begin a reasonable effort at physical construction and/or network implementation within 20 days of license award.

Q54. Will there be any taxes, Business, Corporate, VAT, etc.?

[A54.](#) Tax policies are currently under review with an eye towards incentives to promote investment.

Q53. The Bid Rules do not provide for any easement rights or rights of way. If bidders are going achieve a rapid roll-out, would it be advisable for the CPA to provide for broad easement rights over government property?

[A53.](#) Easement rights and rights of way must be resolved with the appropriate landowners.

Q52. The Bid Rules do not specify how disputes between operators (both ITPC and the other mobile operators) and other parties (e.g., land owners) would be resolved.

[A52.](#) Within the guidelines of current Iraqi law, CPA law, and the licensee granted, the CPA will endeavor to resolve all appropriate issues.

Q51. Are any individual permits (e.g. build permits, RF permits) going to be needed for individual base stations?

[A51.](#) The license granted for construction and operation of the mobile communications system will include licensing provisions for the use of the radio frequencies. Any construction or building permits that may be necessary must be coordinated on a tenant/landlord basis with the owner of the property where the facilities are to be located.

Q50. Section 13.5 of the Bid Submission Template requires that, with respect to roaming arrangements, bidders detail “current network availability by network”. It is unclear what this means. We assume that it is likely intended to refer to the network coverage of roaming partners but “availability” is normally associated with service levels (e.g., blocked

call rates) and not coverage. Note that “service availability” is defined in the Bid Rules but “network availability” is not. This needs to be clarified.

[A50.](#) Submission template item 10.5 states, “Current network availability by network.” This should be interpreted to mean the coverage area where current networks provided by the bidder are currently in operation.

Q49. The Bid Rules do not provide that the CPA will ensure that mobile networks are provided with reasonable and non-discriminatory interconnection to the other mobile networks. Will the CPA intervene if mobile operators are unable to reach such an agreement?

[A49.](#) Paragraph 6 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding the requirement to provide roaming with regional service licensees. Mutual agreements for roaming between regional providers are the responsibility of the licensees; however the SOO clearly requires that this capability be provided to subscribers in the region. If operators cannot resolve disputes, the CPA will intervene.

Q48. Paragraph 4 requires that each applicant bid for at least two regions, but does not specify whether it is possible to state the preference of the bidder and whether, if such a statement is allowed, the stated preference will have any impact on the decision of the CPA. If, for example, a bidder were to rank first in respect of two regions, how would the CPA determine which license to award to the bidder?

[A48.](#) Bidders are free to choose the regions where they prefer to bid and may state the desired region in their bid. The CPA will evaluate all bids and determine regional licensees on a best value basis.

Q47. How does the CPA intend to validate the requirement in paragraph 13 to submit “a list of 5 contracts or licenses broadly similar to those offered through this process to demonstrate previous experiences”?

[A47.](#) The CPA intends to use these experience factors in verifying the bidder’s ability to satisfy the requirements of this tender.

Q46. Paragraph 6, which relates to national and international roaming, needs to be clarified.

[A46.](#) Paragraph 6 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance. It states, “Licensees will be required to provide full national roaming services to their customers through agreements with the other two new regional licensees.” See question #2.

Q45. If a licensee meets its 12 month build-out obligation in less than 12 months, would it then be granted a national license at that time?

[A45.](#) Yes.

Q44. Can you release the contact information of the interested bidders?

[A44.](#) The CPA does not maintain a list of potential bidders.

Q43. Is the CPA already planning to introduce additional licenses for 1800 MHz GSM, and for future migration to more advanced services?

[A43.](#) At present, the CPA is only allocating spectrum for the mobile cellular services as delineated in the 800 MHz and 900 MHz bands. It is anticipated that any further allocations will be consistent with ITU Region 1 allocations and future Iraqi government desires.

Q42. While there is no restriction on who can apply for a license will there be restrictions on supply and import of necessary and essential equipment?

[A42.](#) At present, there are no restrictions.

Q41. Given the short timeframes to build, will the CPA guarantee equally short timeframes to source and import the required equipment?

[A41.](#) Sourcing and importing of equipment necessary for a licensee to accomplish the build-out and service requirements are the responsibility of the licensee.

Q40. Is there a date after which questions are not going to be accepted?

[A40.](#) The CPA will accept questions and strive to do its best in providing answers up to the bid submission date of 21 August.

Q39. Are there any restrictions on the equipment to be used in building the network? Must be current production? Have a lifecycle of 10 years? Not out of production?

[A39.](#) The equipment used by a licensee is the responsibility of that licensee. The operator is free to install, operate, and maintain any and all equipment necessary to provide acceptable quality of service communications to its subscribers.

Q38. Given the short timeframes to bring the network into service, what type of assistance and guarantees will be available to operators and suppliers? Approval of cell sites, quick approval of plans, etc.?

[A38.](#) The CPA will not provide any oversight or approval of licensee installations. The locations and operations of these facilities will be by commercial arrangement with the tower owner or other facility owner.

Added on August 7, 2003

Q37. Is it possible or not for two applicants to apply under one operator name for instance?

[A37.](#) Yes, this would be considered a consortium of the two parties. Only one license would be granted to a single legal entity assuming that the two parties met all of the eligibility rules.

Q36. Please clarify the time period over which the package cost is to be specified. As an alternative, it could be considered to request separate specification of one-time and monthly costs.

[A36.](#) Cost packages should be submitted that clearly depict the pricing plans available to consumers. This can be done with a structure that includes one-time costs as well as recurring monthly costs. Since most customers will pay on a monthly basis, this is the time frame that

should be used for recurring costs, though bidders should specify if a longer term contract is required.

Q35. Is it correct to assume Calling Party Pays?

[A35.](#) For the time being and lacking a rule-based initiative that provides a basis for pricing, it can be assumed that the calling party pays rate structures are appropriate.

Q34. According to Statement of Objectives, Annex B, subscriber packages shall also be priced assuming a mix of GSM and CDMA. How does the CPA foresee this to be realized? What extra costs would be reasonable to include (e.g., additional handsets)?

[A34.](#) Bidders should consider the roaming requirements delineated in paragraph 6 and provide pricing that would accommodate the provision of dual-mode handsets for those who require them.

Q33. According to Statement of Objectives, paragraph 36, "ITPC will charge mobile operators 80 % of the domestic call tariff rates". Is it correct to assume that this is the rate for termination of mobile-originated calls on the ITPC network?

[A33.](#) Yes.

Q32. According to Statement of Objectives, paragraph 26, "Distress calls are to be handled by a Licensee provided operator". Please clarify exactly what this operator is supposed to do? Isn't there an emergency center to which calls can be routed?

[A32.](#) Licensees are required to provide connectivity to appropriate public safety and emergency response providers as necessary and available.

Q31. Could you please elaborate on your ideas concerning an appropriate system of fines and penalties? What would be the exact function of the performance bond in said system?

[A31.](#) The appropriate method and system for performance evaluation has not been established. Prior to license award, this system will be clarified and clearly articulated to award winners.

Q30. According to Statement of Objectives, paragraph 5, "Bidders will state their minimum build-out and service levels at 2 months, 6 months, ...". Is it correct to assume that these periods are relative to the date of license award?

[A30.](#) Yes.

Q29. In footnote (3), are you referring to megabits per second (Mbps)?

[A29.](#) Yes.

Q28. Regarding submission data file footnote (2), which system are you referring to?

[A28.](#) This entry should reflect the total number of subscribers that may be using the system at one time as measured by the total number of subscribers who may access the network and maintain a completed connection at one time.

Q27. Regarding submission data file build-out tables and footnote (1), is this information correct?

[A27.](#) Footnote (1) should be corrected to read, “Estimates are required for months 2, 6, 12, and 24.”

Q26. Reference submission data file items 17, 21, 22, 23, and 24, what is the meaning of these items?

[A26.](#) These items specifically request estimates of the percentage of customers who will have the service requested.

Q25. Reference submission data file item 19, the definition of “dropped call” is missing from Annex A.

[A25.](#) The following definition should be added:

“Dropped Call Rate: The percentage of calls between any 2 locations (either mobile or fixed subscribers) which result in non-connection due to errors in the mobile communications network connection after an initial subscriber-to-subscriber connection has been made. Failures of the PSTN do not count towards this calculation. This is calculated during the busy hour and averaged over a 5 minute period of worst performance.”

Q24. Regarding submission data file items 14 and 15, are you referring to extra minutes or in general for any commercial plan of the licensee?

[A24.](#) The intent of this item is to gauge the maximum cost per call of a subscriber using the bidder’s network to make a call originating on the network and terminating on the network of the provider.

Q23. Reference submission data file item 10, why would you like to fix a maximum price [on cost of handset capable of international roaming in Middle East countries] when handsets can include or not include many other features rather than only the capability of international roaming in middle east countries?

[A23.](#) The intent of this item is to gauge the anticipated cost of a handset that will have international roaming capability as a minimum. It is not intended to fix the price.

Q22. In submission data file items 4-9, what are you referring to; monthly or annual fees and will the contracts have any minimum duration or guarantees?

[Q22.](#) These items on the data file are for bidders to provide details of their proposed customer service plans in terms of cost and duration and other cost details.

Q21. In submission data file items 1-3, are you referring to any companies in the consortium? To any subsidiaries? To any company belonging to the same group in which any company of the consortium is present?

[A21.](#) The information requested in this item applies to each company participating in the bid, either individually or as a member of a consortium.

Q20. Would it be possible to get estimates of the costs for tower space, rooftop space, fiber optic leases, and microwave links?

[A20.](#) We can only give figures for ITPC. ITPC is free to make commercial arrangements regarding these services with prospective bidders. We will endeavor to have any common rates,

tariffs, or other information that ITPC wishes to make public available on the tender Internet page. However, all provision of services from ITPC should be arranged directly.

Q19. Are items 17 and 20 of the submission template the same?

A19. Yes, this was an oversight on our part. Any additional information that a bidder wishes to include may be submitted as outside the page count, but will not be considered as part of the formal bid.

Q18. Do submission template items 18 and 19 refer to consortium or to specific member companies?

A18. Submission template items 18 and 19 request company specific information and apply to all participants in the bid.

Q17. Please provide more detail for submission template items 14 and 15.

A17. These items are intended for bidders to provide as complete information as possible on the network management plan and service plans that will be available to subscribers under the bidder's proposed network.

Q16. What is the intent and purpose of item 10 on the submission template?

A16. Items 9-11 are for bidders to detail a history, or record, of their services provided to date. In this context, item 10 requests information regarding provision of roaming services by the bidder in terms of networks, countries, technologies employed, and current availability.

Q15. Is the information requested in Submission Template item 8.1 related to the Statement of Objectives paragraph 14?

A15. Yes, Paragraph 14 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding the requirement to provide country specific and/or international tax or business identification numbers. Paragraph 8.1 is the location on the submission template for providing this information.

Q14. Please clarify foreign investment details.

A14. For the purposes of this tender and response, all foreign investments that are part of the financing arrangements for this bid or involvement of foreign entities in the project itself should be itemized.

Q13. What range of frequencies is available for microwave transmission links between base stations and base station controllers?

A13. It is anticipated that sufficient capacity and locations are available for microwave links in the 14.4-15.3 GHz band. See question #4 for details on applying for microwave frequencies.

Added on August 6, 2003

Q12. What is the official exchange rate for ID?

A12. All bidders are reminded that all bid assessments should be submitted in US dollars. For planning purposes, the Ministry of Finance budget planning exchange rate is 1500 ID equal 1 US dollar.

Q11. What do you mean by de-confliction of frequencies in Annex C, paragraph 7?

A11. Blocks A and F overlap in the 880-890 MHz band. The award of licenses to operate in this band will be dependent on bidder requests for a frequency block and the geographic area associated with the bid. This potential conflict in frequency assignment will be resolved by the CPA during the evaluation of bids.

Q10. Are there any constraints related to change in structure of the consortium or are the companies free to change the structure in any moment?

A10. Paragraph 18 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding transfer of the license. It states that the license may not be transferred, in whole or in part, until the Ministry approves a written request. Any request for transfer of any form will not be considered until after the 12 month build-out target of the original license has been met. Any proposed changes will also not be accepted between submission of bids and the license award.

Q9. Please clarify the 10% restriction of the government ownership in any bidding company.

A9. Paragraph 13 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding government ownership restrictions. It states, "No government shall directly or indirectly own more than 10% of any single bidding company or single company in consortia. This is to be interpreted to mean that no government may own more than 10% interest in a bidding entity either directly or diluted ownership through a consortium. Thus any government participation is limited to 10% either as a primary bidder or as a partner in any one of the bidding partnerships.

Q8. During the conference, your delegation indicated that the licensee would have the freedom to use whatever means to connect internationally including providing satellite routes. There is no mention of this privilege in the amended statement of objectives document and the Mandatory Technical Requirements No. 21 says: International connectivity must be provided via ITPC or other licensee provisions.

A8. Paragraph 21 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding international connectivity. It states that international connectivity must be provided via the ITPC or "other licensee provisions". This may be interpreted to mean that the licensee will be authorized to self-provide international connectivity.

Q7. We need a contact such as a helpdesk for posting our questions to the ITPC. This is urgently required in order for us to complete our business case considerations.

A7. The ITPC contact for this tender is Dr. Walid Jallo.

Q6. What information should be included in the sections titled, 6) Foreign Investment details, and 8) Details of project financial agreements.

A6. The MoTC has specified broad general requirements for submission of a bid. The specific submissions appropriate to an individual bidder are beyond the scope of this definition. Each

bidder should strive to provide as much information as possible in order to have a complete application that can be verified and appropriate for this tender.

Q5. Will there be any special access arrangements to the fiber system of ITPC for new operators? Could they access to dark fiber? Who owns/controls the fiber network?

A5. The fiber network in Iraq is owned and operated by the Iraq Telephone and Posts Company (ITPC). All questions regarding access to the fiber system and its use should be addressed to Dr. Walid Jallo. ITPC is 100% state owned and may not unreasonably deny access to the fiber network.

Q4. Who manages the microwave spectrum? Who does the operator apply to? Does any spectrum come with the license?

A4. Licenses for the use of microwave connections and frequencies within Iraq will be coordinated and licensed separately from this tender. These licenses will be administered through application to the Ministry of Transportation and Communications (MoTC), ATTN: Mr. Fred Matos, and coordinated with the Iraq Telephone and Posts Company (ITPC), ATTN: Dr. Nasi.

Q3. Referring to item 28 “Maximum power for transmitters”, included in the “Statement of Objectives for Iraq Mobile License Offer,” we have interpreted the imposed limit of 800 Watts EIRP for BTS as the maximum EIRP for a single transmitter (TRX) installed in a BTS. So that, as a GSM BTS may have a standard configuration for example of three sector with two transmitters for each sector, we assume that the maximum power for a single sector will be 2x800 Watts EIRP.

A3. Paragraph 28.3 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding transmitter power. This guidance applies for each individual transmitter.

Q2. A bidder proposing the use of GSM technology shall provide two sets of cost figures.

1.1. Assuming GSM in all three regions

1.2. Assuming a mix of GSM and CDMA

Do we have to do both? It is currently unfeasible to have both technologies operating in one handset, and to provide service in an area to do both would require in essence building two complete systems. Please clarify your meaning.

A2. Paragraph 6 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance regarding licensee roaming requirements. A licensee must provide for the capability for a subscriber to roam on either common regional networks or on national networks as the subscriber may desire. This does not mean that all subscribers must have the capability; it simply means that the licensee must provide the capability to a subscriber who wishes the roaming service. Dual mode GSM/CDMA handsets are believed to be available.

Q1. A performance bond for the full value of the expected capital cost of network and infrastructure construction will be established. Does this mean we need to figure our CAPEX and provide a performance bond in this amount to CPA, what is the difference in a performance bond and letter of credit, and what is the minimum amount CPA is figuring

for the performance bond? Can you please clarify to the best of your ability to include definitions of financial terms?

A1. Paragraph 17.1 of the *Statement of Objectives for Iraq Mobile License Offer, Revised*, dated August 3, 2003, provides explicit guidance. The paragraph states, “A performance bond for the full value of the expected capital cost of network and infrastructure construction will be established.” The total cost of the capital expenditure is expected to be entered into bond. A bond registered with a recognized and verifiable financial institution must be provided before a license will be issued.