



Government of Montserrat



Department of Information Technology & E-Government Services
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Request for Expressions of Interest (EOI) for Participation in the Montserrat Submarine Fiber Optic Cable Project

Introduction

Montserrat, a British Overseas Territory, has been without international fiber optic connectivity since the mid-1990s, when the eruption of the Soufrière Hills Volcano forced the island to be disconnected from its undersea branch of the Eastern Caribbean Fibre System. Since then, all of Montserrat's international telephony, Internet, and data communications have been routed via a microwave network to Antigua.

In 2012 and 2013 the Government of Montserrat (GoM) and the United Kingdom Department for International Development (DfID), as part of Montserrat's Sustainable Development Plan (SDP) and Strategic Growth Plan (SGP), assessed the technical and economic feasibility of constructing a submarine fiber optic cable between Montserrat and one or more neighboring islands with the goal of reestablishing seamless fiber connectivity between Montserrat and the rest of the world. The feasibility assessment determined that the project is both technically and economically viable and would greatly promote the island's economic and social development.

Consequently, GoM intends to facilitate the timely construction of an undersea fiber optic link within a financial framework ("Project Business Model") that will bring the greatest benefit to Montserratians in the most efficient manner possible. Depending on the proposals received from the private sector in response to this Request for Expressions of Interest, governmental financial participation in the project could range from a commitment to purchase telecommunications services from the developer/operator of the cable, to full governmental responsibility for the development and operation of cable infrastructure through the awarding of a supply contract directly to a system supplier.

GoM is addressing this Request for Expressions of Interest to both telecommunications operators and submarine cable suppliers in order to assess parties' willingness and ability to participate in any of the five proposed Project Business Models that have been identified as viable strategies for the development of the Montserrat Submarine Cable Project.

Based on responses to this Request for Expressions of Interest, GoM will distribute formal Requests for Proposals (RFPs) to shortlisted parties and select the proposal that is most advantageous based on a number of criteria including expected benefits, costs, and risk. Respondents are encouraged to submit proposals in partnership with other firms in order to increase the efficiency and attractiveness of their offers.

Requested Information from Respondents

Respondents to this Request for Expressions of Interest should include the following information in their submissions:

Overview, Qualifications, Experience, and Financial Soundness of the Firm

Respondents should provide an overview of the firm including history, size, areas of business, and affiliates, in order to assure GoM of the firm's credibility and appropriateness for the project. The respondents should identify specific qualifications and expertise that could be applied to participation in the Montserrat Submarine Fiber Optic Cable Project, including but not limited to projects of similar size or other projects in the Caribbean Basin. A financial summary proving the firm's soundness should also be submitted.

Proposed Project Business Models to be Considered

Respondents should indicate if they are both willing and qualified to participate in the following business models currently under consideration by GoM for the implementation of the Montserrat Submarine Fiber Optic Cable Project:

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1. Responsibility for the development and operation of a government-funded submarine cable system under a **project management contract** (*option intended for respondents who are operators*)

Example of project management contract:

- A contract is awarded by the Government of Montserrat to a network operator who assumes full responsibility for the construction, operation, maintenance, and commercialization of the Montserrat Submarine Fiber Optic Cable.
- The contract recipient is paid to assume these responsibilities, manage the cable, and sell capacity to operators. The contract recipient's management fees may be fixed or based on a percentage of revenue.
- The cable remains the property of the Government and all profits (less management fees) are collected by the treasury.

Respondent interest in option #1:

High [] Medium [] Low [] No interest []

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2. Responsibility for the financing, development, and operation of a submarine cable system under a **Build-Operate-Transfer (BOT)** financing model (*option intended for respondents who are operators*)

Example of Build-Operate-Transfer (BOT) financing model:

- The Government of Montserrat grants a submarine cable operating concession to a network operator for a fixed long-term duration (typically 20 years).
- The network operator is assigned full responsibility for financing, operating, and maintaining the cable.
- Certain market privileges may be accorded to the network operator.
- The operator is allowed to retain all revenues derived from the submarine cable during the period of its concession.
- Once the concession agreement expires, ownership of the cable is assigned to the Government of Montserrat at no cost.

Respondent interest in option #2:

High [] Medium [] Low [] No interest []

3. Responsibility for the financing, development, and operation of a submarine cable in exchange for a long-term **government commitment to purchase telecommunications services** (*option intended for respondents who are operators*)

Example of government commitment to purchase telecommunications services:

- The Government of Montserrat commits to purchase a relatively large amount of international submarine fiber-based capacity or telecommunications services for a long-term period.
- GoM's capacity demand possibly includes bandwidth for use in public broadband initiatives such as public neighborhood Wi-Fi hotspots.
- In exchange for GoM's purchase commitment, the contract recipient commits to the speedy construction and operation of its own submarine fiber optic cable to Montserrat.

Respondent interest in option #3:

High [] Medium [] Low [] No interest []

4. **Investment in a Special Purpose Vehicle (SPV)** in partnership with GoM, its funding agents, and other investors/operators to fund the development of a submarine cable system (*option intended for respondents who are operators*)

Example of Special Purpose Vehicle (SPV):

- Stakeholders including network operators and the Government of Montserrat form a special purpose vehicle to assume full responsibility for the development, operation, and maintenance of the Montserrat Submarine Fiber Optic Cable.
- Stakeholders receive cable capacity, equity, and board representation.

- A regulatory framework is adopted to ensure that the SPV's outcome fulfills policy goals and improves the overall welfare of Montserrat.
- Stakeholders' equity is held until the winding-down of the SPV, although the government's equity stake may be divested earlier if certain policy-related milestones are achieved.

Respondent interest in option #4:

High [] Medium [] Low [] No interest []

5. Supply, installation, and maintenance of a submarine cable system in the event that GoM and its funding agents decide to pursue a fully government-funded model (*option intended for respondents who are submarine system suppliers*)

Example of supply, installation, and maintenance of a submarine cable system:

- The Government of Montserrat, having determined that operator-led business models are unsuitable to achieve its policy goals and maximize the overall welfare of Montserrat, pursues the development and operation of a submarine cable system on its own.
- The supply, installation, and maintenance of the system are contracted to one or more suppliers who agree to furnish the system directly to the Government of Montserrat.
- The Government of Montserrat sells wholesale capacity on the system to operators and also uses capacity on the system to meet its own connectivity requirements.

Respondent interest in option #5:

Yes [] No []

If Yes, please specify services provided:

- | | | |
|--|---------|--------|
| a. Desktop Study (DTS) | Yes [] | No [] |
| b. Marine Survey | Yes [] | No [] |
| c. Submarine Cable | Yes [] | No [] |
| d. Terminal Equipment | Yes [] | No [] |
| e. Cable Station Construction | Yes [] | No [] |
| f. Land Cable and Plant | Yes [] | No [] |
| g. Marine Installation | Yes [] | No [] |
| h. Maintenance and Repair | Yes [] | No [] |
| i. Training and Support | Yes [] | No [] |
| j. Other Supply Services (<i>Please specify</i>) _____ | | |

Cable Routing

The Government of Montserrat is considering several possible routings of the Montserrat Submarine Fiber Optic Cable. Respondents should indicate which of the following cable routings they would be willing and qualified to supply and/or participate in:

- | | |
|-----------------------------|----------------|
| 1. Montserrat to Antigua | Yes [] No [] |
| 2. Montserrat to Guadeloupe | Yes [] No [] |
| 3. Montserrat to Nevis | Yes [] No [] |
| 4. Montserrat to St. Kitts | Yes [] No [] |

Montserrat to Other: *Please specify* _____

Partnership with Other Parties

1. Do you intend to partner with any other parties in order to participate in the Montserrat Submarine Fiber Optic Cable Project?

Yes [] No []

If Yes, please specify services that the prospective partner might provide:

Submission of Expressions of Interest

Respondents' Expressions of Interest should be submitted via email to Mr. Denzil West, Director of the Department of Information Technology, and E-Government Services (DITES), at the following address: westd@gov.ms

Any questions may also be directed to Mr. West either via email or via telephone at:
+1-664-491-7379.

All submissions must be received by **Friday, June 14th at 12:00 noon Montserrat time (UTC-4:00)** in order to be considered.

After Expressions of Interest have been submitted, the Government of Montserrat will develop a shortlist of qualified candidates in each of the five proposed Project Business Models.

Based on responses to this Request for Expressions of Interest, formal Requests for Proposals will be issued for each of the Project Business Models deemed to have generated sufficient interest from qualified respondents.

May 28, 2013