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REQUEST FOR EXPRESSIONS OF INTEREST
(INDIVIDUAL CONSULTING SERVICES)

Federated States of Micronesia
FSM Connectivity Project (P130592)

Assignment Title: Chief Executive Officer
Reference No. FSMTCC-IND-01

The FSMT Cable Corp operates as the FSM Open Access Entity (OAE), has received financing from the World Bank toward the cost of the FSM Connectivity Project and intends to apply part of the proceeds for consulting services.

The consulting services ("the Services") are for a Chief Executive Officer who will be fully responsible for managing the OAE during its initial operations. A qualified person with senior level management experience in the telecom sector is sought to lead the operations of the OAE to ensure its viability as a going concern. The CEO will provide strong leadership and strategic guidance to the OAE in all of its activities to enable the company to succeed in a challenging and dynamic environment. A critical aspect of the role is to manage the suite of contracts that the OAE enters into, specifically with suppliers, customers and with consortium partners under the proposed East Micronesia Cable (EMC) system.

The detailed Terms of Reference (TOR) for the assignment are attached.

The FSMT Cable Corp now invites eligible individuals ("Consultants") to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services (attach curriculum vitae with description of experience in similar assignments, similar conditions, etc.). Firms' staff may express interest through the employing firm for the assignment and, under such situation, only the experience and qualifications of individuals shall be considered in the selection process. The criteria for selecting the Consultant are:

- Engineering, business or other relevant degree from internationally recognized and accredited 4 year degree program. Advanced technical degree preferred.
- At least 10 years senior level telecom corporate management and/or senior telecom operations experience
- Experience implementing at least one transnational undersea fiber optic cable system and/or experience implementing terrestrial fiber network(s) in a lead management role for a telecom operator
- Excellent interpersonal and business management skills
- Prior experience working in the FSM or other small island state preferred but not required

- Prior experience working on donor funded public infrastructure projects preferred but not required..

The attention of interested Consultants (including firms) is drawn to paragraph 1.9 of the World Bank's *Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers*, January 2011, Revised July 2014 ("Consultant Guidelines"), setting forth the World Bank's policy on conflict of interest.

A Consultant will be selected in accordance with Section V of the *Consultant Guide*lines. Firms expressing interest and proposing the name of an individual for the assignment should take note of paragraph 5.5 of the Consultant Guidelines.

Further information can be obtained from the contact below

Expressions of interest must be delivered by email to the address below by **22 November 2018**.

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Terms of Reference and Scope of Services

For: Chief Executive Officer

Background for Assignment

In 2014 the FSM government passed its Telecom Act, which law provides the legal framework for the liberalization of FSM's telecommunications market. One of the cornerstones of the 2014 Telecom Act, along with the establishment of an independent regulatory authority, is the establishment of a wholesale only entity – an Open Access Entity (OAE) – to own and operate FSM's fiber optic cable investments. The primary purpose of the OAE is to function as a wholesale provider of international and domestic bandwidth to competitive operators offering services on cost-based, non-discriminatory terms. The OAE has been established under the 2014 Telecom Act and was formally incorporated as a shareholder corporation in May, 2017. It has a fully constituted Board of Directors selected by resolution of the OAE's government shareholders.

To support FSM's telecom market liberalization effort, the World Bank is providing IDA grant financing for the FSM Connectivity Project, which is funding FSM's investment in new fiber optic cable systems in Yap, Chuuk and Kosrae, as well as technical assistance to support FSM's implementation of the 2014 Act. The FSM national government's Department of Transportation, Communication & Infrastructure (DTCI) is responsible for overall implementation of the FSM Connectivity Project.

The OAE entered a Project Agreement with the World Bank and a Subsidiary Agreement with the FSM government which gives OAE overall ownership and responsibility for implementation of Component 1 of the FSM Connectivity Project for the Yap, Chuuk and Kosrae cable investments. The OAE has already landed cable systems in Yap and Chuuk under the project and hired consultants to assist in consortium arrangements with Kiribati and Nauru for the East Micronesia Cable (EMC) system, which will connect Kiribati, Nauru, and Kosrae to Guam via Pohnpei on the HANTRU-1 cable system, which was purchased in 2009 by FSM's incumbent telecom, FSM Telecommunications Corporation (FSMTC). Transit, colocation, and facilities sharing arrangements between FSMTC and the OAE were finalized in February, 2018 in an "IRU Deed." The IRU Deed needs to be lodged with the Telecommunication Regulation Authority (TRA).

The OAE is a tightly-focused business operating on a "wholesale-only" basis. It will not participate in downstream retail markets. Its customers, primarily licensed telecommunications operators, will provide retail services to end-users in FSM. The business model is to offer each participating operator, initially only FSMTC, access to one or more 10Gbps ports, in consideration for paying a pro-rata share of the OAE's administrative and operational costs. This is anticipated to result in a dramatically lower international and interstate bandwidth unit cost for operators.
The OAE seeks to hire a Chief Executive Officer who will be fully responsible for managing the

OAE under the overall supervision and direction of the Board. A qualified person with senior level management experience in the telecom sector is needed to lead the operations of the OAE to ensure its viability as a going concern. The CEO will provide strong leadership and strategic guidance for OAE in all of its activities to enable the company to succeed in a challenging and dynamic environment. A critical aspect of the role is to manage the suite of contracts that the OAE enters into, specifically with suppliers, customers and with consortium partners under the proposed EMC system.

The CEO is expected to coordinate closely with board members of the OAE, and take overall responsibility and oversight of consultants and support staff hired by the OAE. The CEO will also work with DTCI's consultants and project team retained in connection with the other areas of the sector reform program, particularly those responsible for supporting the newly established TRA to implement the recommended approach to issuance of operator licenses, telecom opportunities, and government stakeholders. In addition, the CEO will work with National Leadership, Government and World Bank to ensure the achievement of national policy and World Bank project development objectives, and will interface directly with World Bank to ensure compliance with project requirements for project funded investments and expenditures and with OAE operational requirements.

The CEO will examine options to minimize operational costs, which may include outsourcing certain functions and activities. Any outsourcing must be consistent with the Telecom Act which created the OAE to own and operate submarine and terrestrial cable assets in the FSM. By law the OAE must not offer any retail services in order to remove any incentives for the OAE to discriminate between its customers and ensure all operators have access to the fiber optic submarine cable system on equitable, cost-based terms.

The World Bank, Government and the OAE are also working to deliver high capacity fixed terrestrial networks to ensure end users benefit from the new high capacity off-island connectivity currently being installed. These passive and open access components will be managed by the OAE and used by all telecom service providers. The CEO will be expected to lead this work during preparation and implementation.

Areas of responsibility

The CEO will have overall financial and governance responsibilities, including:

- managing the budget for the OAE as approved by the board;
- reporting to the board;
- managing OAE direct reports, including financial and operational reports;
- Arranging audit;
- Managing communications, marketing, community outreach and information campaigns
- liaising with Congress, DTCI, DOFA, DOJ, TRA and other Government stakeholders.

Other project related responsibilities of the CEO include:

- liaising with contract counterparties;
- ensuring performance of OAE's contractual obligations;
- analyzing reports, forecasts, etc.;
- procuring external technical, financial and legal advice;
- monitoring counterparty contract performance;
- attending to change requests;
- managing liability and minimizing risk;
- organizing insurance;
- renewal of contracts or re-tendering at expiry or termination;
- gathering and reporting KPIs and monitoring data.

Scope of Services

The CEO will be specifically responsible for the following tasks:

1. Ensure sufficient capacity and resources for the efficient and effective recurring operations of the OAE, including ensuring proper corporate governance and management under the direction of the Board and consistent with the OAE by-laws and FSM Telecom Law, short-term and permanent staffing needs of the OAE, OAE business, marketing and organization planning, and financing arrangements ensuring adequate capitalization and operational financing including to address contingencies.

2. Implement the business, marketing and operational plan for the sale of capacity which minimizes operational costs, maximizes utilization and delivers the lowest economic costs to end users.

3. Primary responsibility for all OAE business operations for implementation and management of Component 1 of the FSM Connectivity Project (World Bank Project P130592) to service the FSM States of Yap, Chuuk and Kosrae with fiber optic connectivity. During the construction and installation of the international connectivity assets, provide close monitoring of the project delivery and cost management and regularly report to the Board regarding implementation status, and ensure that the project is on track and in compliance with the project financing agreement covenants and conditions.

4. Maintain a corporate office in Pohnpei, make recommendations and ensure ongoing adherence to generally accepted corporate governance standards.

5. Work within the available financing provided in World Bank Project P130592 and from local revenues and appropriations to ensure the OAE's operations are well-funded from commissioning through initial operations of the submarine cables in Chuuk, Yap and Kosrae.

6. Establish and maintain a customer relationship with FSMTC's management to support the implementation of the IRU Deed including capacity rights, colocation and facilities sharing, delivery of services and fees collection.

7. Promote FSM as an investment destination for new telecom operators in order to grow the demand and utilization of the cable systems and other infrastructure under the ownership and management of OAE.

8. Work with FSMTC management team to build a trusting and mutually beneficial relationship during the transition of FSM's telecom sector into a liberalized market in an orderly fashion.

9. Work to ensure the requirements for the FSM government's implementation of World Bank Project P130592 are met in accordance with the executed Project Agreement with the World Bank and the Subsidiary Agreement with the Government.

10. Obtain all permits and licenses to operate in FSM and be authorized to legally supply domestic and international wholesale connectivity communications services.

11. Maintain a working relationship with the suppliers of the Yap, Chuuk and Kosrae (EMC) cable systems to ensure their successful delivery, maintenance, and operation.

12. Take all steps necessary to ensure that the international and domestic connectivity assets are utilized in an economically efficient and productive manner consistent with the policy objectives of the 2014 Telecom Law and the Project Development Objective of the World Bank Project.

13. Prepare and execute agreement(s) for the sale and distribution of OAE held bandwidth to operators in the FSM.

14. Maintain a working relationship with the TRA to support its successful implementation of rules governing the operation of the telecommunications sector in FSM including domestic and international wholesale services.

15. Oversee design, implementation, location selection, etc., and all technical aspects relating to the installation and operation of the Yap, Chuuk, and Kosrae cable systems.

16. Maintain a working relationship with the FSM government's project team for World Bank funded telecom projects to ensure efficient and successful implementation of the projects, and make recommendations and support the government project team's efforts to meet requirements and obtain approvals for World Bank project funded procurements bearing on the operations and business of the OAE.

17. Respond to requests from government and stakeholders to provide updates, briefings, and testimony as required or directed on all matters related to the operations, management and governance of the OAE.

18. Develop and support the implementation of next phase IDA funded telecom projects including domestic telecom infrastructure buildout in the four FSM States and applications which will be implemented by the OAE.

19. Assist in public outreach as an advocate and advisor for the development of applications in key sectors e.g. e-health, e-education, e-government, cyber-security.

20. Make reasonable efforts to build capacity in the OAE and to recruit a successor CEO as needed, with priority to such capacity building and recruitment given to FSM citizens.

21. The CEO will promptly identify additional resources to complement the organization required to establish the OAE as a going concern.

22. The CEO will prepare and implement a succession plan.

23. Such other matters as the Board may direct relating to the activities and management of the OAE.

Duration and Timing

It is expected that the CEO will be full-time investing 40 hours per week delivering on the objectives for this assignment. The CEO will be based in Pohnpei, FSM and will travel on behalf of the OAE for OAE business as directed by the Board.

Qualifications

- Engineering, business or other relevant degree from internationally recognized and accredited 4 year degree program. Advanced technical degree preferred.
- At least 10 years senior level telecom corporate management and/or senior telecom operations experience
- Experience implementing at least one transnational undersea fiber optic cable system and/or experience implementing terrestrial fiber network(s) in a lead management role for a telecom operator
- Excellent interpersonal and business management skills
- Prior experience working in the FSM or other small island state preferred but not required
- Prior experience working on donor funded public infrastructure projects preferred but not required.

The OAE is a wholesale access company which supplies capacity downstream on a non-discriminatory and open access basis. The CEO shall not have any direct or indirect financial or other interest in a telecom licensee in the FSM.

CEO's Reporting Obligations

The timetable for the reports and deliverables within the Scope of Services shall be as follows:

Timing	Deliverable
Contract Signature + 3 months	Ensure Chuuk-Pohnpei Cable is Ready for Service
Contract Signature + 4 months	1. Enter consortium agreement for the East Micronesia Cable system to connect the FSM state of Kosrae
Contract Signature + 5 months	2. Enter supply contract for the delivery of the EMC system.
Contract Signature + 7 months	3. Complete final draft annual report with revised budget, business and marketing plan
Contract Signature + 12 months	4. Publish updated rates and offer to enter agreement(s) for the sale and distribution of OAE held bandwidth to newly licensed operator(s)
Contract Signature + 24 months	5. Ensure East Micronesia Cable System (Kosrae) Ready for Service
Contract Signature + 36 months	6. Ensure Successor Chief Executive is prepared and transitioning of Chief Executive responsibilities to Successor is completed
Contract Signature + 36 months	7. Prepare Work Plan/Contract Deliverables Completion Report

In addition, the Chief Executive will be directly responsible to the OAE Board and other duties assigned by the Board.