

**TERMS OF REFERENCE FOR
CONSULTANCY FIRM FOR THE DEVELOPMENT OF METHODOLOGY AND CORRESPONDING
PRICING MODEL OF ACCESS TO PHYSICAL INFRASTRUCTURE**

A. INTRODUCTION

1. Project name:
Log-In Georgia
2. Employer:
Open Net N(N)LE
3. Position title:
Consultancy firm for the development of Methodology and corresponding pricing model of access to physical infrastructure
4. Consultant will deliver outputs to:
Georgian National Communications Commission
5. Contract duration:
6 Months
6. Project Description:
<p>The Government of Georgia signed a Loan Agreement for financing the implementation of Log-in Georgia Project (“Project”) with the World Bank (WB). The proposed Project development objective is to increase access to affordable broadband internet and to promote its use by individuals and enterprises, in targeted rural settlements.</p> <p>The Project Consists of the following key components and subcomponents:</p> <p>Component 1: Increasing access to broadband – this Component will help expand access to broadband internet in rural settlements across Georgia and improve the enabling environment for digital development.</p> <p>Subcomponent 1.1: Supporting the Open Net Program – the Open Net Program will develop a national infrastructure to offer open access, wholesale, broadband telecommunications services.</p> <p>Subcomponent 1.2: Improving the enabling environment for digital infrastructure – this subcomponent will support activities to improve the enabling environment for digital infrastructure development in Georgia. This will support the development of legal, policy, and regulatory instruments, and the design of investment attraction measures in accordance with the national broadband development strategy (adopted in 2020).</p> <p>Component 2: Promoting the use of broadband-enabled digital services – this Component will support the development of Georgia’s digital economy through a strengthened enabling environment, promoting digital use-cases of broadband, and addressing barriers to the participation of individuals in the digital economy.</p>

Subcomponent 2.1: Enabling environment for digital economy development – this subcomponent will support activities to improve the enabling environment for digital economy development in Georgia.

Subcomponent 2.2: Promoting use-cases – the subcomponent will promote specific use-cases of improved broadband connectivity in targeted rural settlements.

Subcomponent 2.3: Increasing digital inclusion – this subcomponent will finance targeted interventions to boost the use of the Internet and digital services by women, social minorities, and persons with disabilities in targeted settlements.

Component 3: Project implementation support – this component will support the management and implementation of the Project and associated activities.

The Project will be implemented over a five-year period by the Open Net NNLE as the implementing entity, with the oversight of the Ministry of Economy & Sustainable Development (MOESD) of the Government of Georgia (GoG). Open Net NNLE will be the Project Implementing Entity (PIE) to support the implementation of the Project.

7. Description of the assignment

Within subcomponent 1.2: Improving the enabling environment for digital infrastructure of the Log in Georgia Project, support for the implementation of the [Law on Infrastructure Sharing](#) is envisaged. The above Law was adopted by the Parliament of Georgia in June 2023. The Law is based on the EU Broadband Cost Reduction Directive and is part of approximation commitments within the EU – Georgia Association Agreement. The above Law supports the deployment of very high-capacity networks at reduced costs through shared infrastructure within the country through setting access obligations to the telecom infrastructure and other infrastructures that could be used for telecommunication purposes. The Law is based on the principles of competition, openness, accessibility, equality, non-discrimination, efficiency, transparency, and technological neutrality. In addition, official studies and findings elaborated throughout the process of the review of the Broadband Cost Reduction Directive (BCRD) by EC, should be considered and elaborated in the corresponding recommendations to be incorporated within the methodology.

According to the new Law, ComCom is responsible for adopting a normative act on approval of pricing methodology of access to physical infrastructure owned by the infrastructure operator in case of dispute between the authorized entity and infrastructure operator until 1st of July 2024.

Within the framework of this assignment the consultant is expected to provide assistance to ComCom to determine the methodology and corresponding pricing model for access to telecommunication physical infrastructure¹ or infrastructure (such as poles, ducts, building's

¹ 'physical infrastructure' means any element of a network which is intended to host other elements of a network without becoming itself an active element of the network, such as pipes, masts, ducts, inspection chambers, manholes, cabinets, buildings or entries to buildings, antenna installations, towers and poles; cables including dark fibre, as well as elements of

rooftops etc. listed in the next section) that could be used for telecommunication purposes owned by non-telecom sector entities (see footnote 2 for types of entities). Further, support should be provided to ComCom in the process of adoption of corresponding subordinate normative acts (respective details indicated in section B/I/2).

B. FUNCTIONS

I. Key duties of this position:

1. Provide support to ComCom in the development of price calculation methodology and corresponding model of the access to the physical infrastructure owned by infrastructure operator², according to the new law, in case of dispute between authorized entities. The methodology should consider following details:
 - Price calculation methodology and corresponding model should cover all possible types of infrastructure defined by the (Law of Georgia on Infrastructure Sharing, Article 2). Those could be a) Periodic (e.g. Monthly) rent of physical infrastructure; b) prices for one time serviceses connected to rental of physical infrastructure (inspection, projection, installation, replacement, removal, etc.).
 - Price calculation methodology should cover access to the following infrastructure: Pipes, masts, ducts, inspection chambers, manholes, cabinets, buildings and entrances to buildings, including co-location areas, antenna installations, towers and poles (used for natural gas, electricity, street lighting, heat supply, transport and for other purposes) and other relevant physical infrastructure. Access to the passive infrastructure as well as to active infrastructure should be considered.
 - According to the Law, price calculation methodology should consider expenses of infrastructure operator, possible effect on the business and reasonable return on invested capital.
 - Methodology should take into consideration the service cost calculation methods outlined in the ComCom Resolution of 2006 20th April N5 on cost accounting and accounting separation methodological rules of authorized entities. In addition,

networks used for the provision of water intended for human consumption, are not physical infrastructure within the meaning of the law.

² Infrastructure operator - Authorized entity (electronic communication network operator), also entity, which owns physical infrastructure and provides or is going to provide different services such as:

- a. natural gas transportation and distribution;
- b. electricity generation, transmission and distribution;
- c. street lightening service;
- d. central heating;
- e. water supply, sewage, drainage system management and operation;
- f. transportation, including railway, harbor and airport services;

methodology should consider aspects/standards related to different types of infrastructure as determined in normative acts of relevant state entities.

- Methodology should be in line with the Georgian legal framework as well as the corresponding EU legislation (for example, European Electronic Communications Code (EECC), standards of the Body of European Regulators for Electronic Communications (BEREC) and its work on pricing methodologies applied in Member States (MS), and other relevant regulations required by EECC; DIRECTIVE 2014/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks; Commission Recommendation of 11 September 2013 on consistent non-discrimination obligations and costing methodologies to promote competition and enhance the broadband investment environment 2013/466/EU;
- Other related acts/documents to be recommended and specified at the stage of inception/planning of the assignment, if any (e.g. documents available on the revision process of BCRD and possible improvement of regulations).
- Also, EU best practices in the field and similar acts of EU MS respective authorities should be considered, as well.

2. Provide support to ComCom in the process of adoption of the normative acts related to price calculation methodology of the access to the physical infrastructure owned by the infrastructure operator.

Throughout the assignment, Consultants should participate in working meetings, consultations, and information meetings with all stakeholders: Georgian National Energy and Water Supply Regulatory Commission (GNERC), Telecom operators, other companies that own applicable infrastructure from different sectors, and other interested parties. Consultants are expected to conduct at least two workshops with the participation of two broad groups of stakeholders (one for public/government entities and second for infrastructure and Telekom operators)

Further, support will also envisage assistance to ComCom with preparation of responses to the feedback received from interested parties throughout public consultation process, as well as other relevant tasks required for the completion of the formal adoption process.

II. Expected Outputs/Deliverables and Reporting Format:

N	Output/Deliverables	Timeline
1.	Methodology of price calculation for access to different infrastructure Pipes, masts, ducts, inspection chambers, manholes, cabinets, buildings and entrances to buildings, including co-location areas, antenna installations, towers and	5 weeks following the contract signature

	poles (used for natural gas, electricity, street lighting, heat supply, transport and for other purposes) and other relevant physical infrastructure - MS Word or any other appropriate agreed format.	
2.	Price calculation model (with at least one practical example of price calculation on one of the types of infrastructure listed in point 1), which will ensure calculation of the access price (one-time/monthly rent) for all possible types of infrastructure with filling in all the inputs required from the infrastructure operator - Ms Excel or any other appropriate agreed format.	5 weeks following the contract signature
3.	<p>Informal consultations with stakeholders on the elaborated draft methodology and model:</p> <p>Stage 1: Consultations with other state entities and amending the draft methodology (6-8 weeks)</p> <p>Stage 2: translation by ComCom (9-10 weeks)</p> <p>Stage 3: informal consultations with infrastructure operators and authorized entities. (10-13 weeks)</p> <p>Stage 4: final amendments to the draft methodology (14 weeks)</p>	14 weeks following the contract signature
4.	Support in the process of adoption of normative acts, including in the process of public consultations	Throughout the whole assignment
<p>All deliverables must be submitted electronically – sent to the e-mail of an authorized representative of ComCom or must be provided as downloadable through a protected link. Besides, the methodology must be accompanied with the corresponding pricing model in Ms. Excel format.</p> <p>All documents created under the contract and information elaborated through the study process are the property of the Purchaser.</p> <p>All deliverables must be submitted in English.</p>		

C. REQUIREMENTS

QUALIFICATION AND EXPERIENCE REQUIREMENTS
<p>REQUIREMENTS FOR THE FIRM :</p> <ul style="list-style-type: none"> • Experience in conducting projects in telecommunications industry, namely related to strategy, feasibility/due diligence, economic regulation, technology, and cost models for pricing for regulatory purposes

QUALIFICATION AND EXPERIENCE REQUIREMENTS

- Experience in implementation of at least 3 projects focusing on regulatory support in Europe.
- Experience of implementation of assignments/projects of the European Commission would be considered an asset;
- experience of conducting projects in other sectors where infrastructure operators operate, such as energy, water supply or other infrastructure related sectors will be considered as an asset;

TEAM LEAD/MANAGER (OPTIONAL)³

- 5+ years of practical working experience of project management in telecommunications/electronic communications sector/regulation or in energy or any other infrastructure related segments
- Experience in implementation of the projects focusing on regulatory support within the EU;
- Experience in management of projects similar to this assignment;
- Master's degree in Economic/Financial sciences, telecommunications or other relevant disciplines;

ECONOMIC/FINANCIAL EXPERT (LEAD EXPERT)

- Master's degree in Economic/Financial sciences, telecommunications or other relevant disciplines;
- 10+ years of practical working experience in telecommunications/electronic communications sector/regulation;
- Experience in telecommunications industry, namely in strategy, feasibility/due diligence, economic regulation, technology, and cost models for pricing for regulatory purposes, as well as product and business development;
- Sound proven knowledge of relevant EU legislative, institutional and regulatory requirements in the relevant field;
- Experience in implementation of the projects focusing on regulatory support;
- Experience in the development of Methodology and corresponding pricing model of access to physical infrastructure for the dispute resolution body will be considered as an asset;
- Involvement in assignments/projects of the European Commission would be considered an asset;
- Strong analytical, research and organizational skills;
- International experience in similar tasks;
- Excellent command of English (spoken and written).

³ *IN CASE SEPARATE TEAM LEAD IS NOT ALLOCATED, ECONOMIC EXPERT SHOULD COMPLY WITH THOSE REQUIREMENTS AS WELL*

QUALIFICATION AND EXPERIENCE REQUIREMENTS

TECHNICAL/FIELD EXPERT

- Master's degree in telecommunications, engineering or other relevant disciplines;
- At least 10 years' working experience in regulation and telecommunications policy sector, among them in the EU NRAs or relevant bodies, in the field of electronic communications, MNOs or ISPs; or in other fields where Infrastructure operators perform.
- Sound proven knowledge of relevant EU legislative, institutional and regulatory requirements in the relevant field;
- Experience in similar projects focusing on the implementation of the infrastructure sharing legislation and related methodologies will be considered an asset;
- Involvement in assignments/projects of the European Commission will be considered an asset;
- Strong analytical, research, and organizational skills;
- International experience in similar tasks;
- Excellent command of English (spoken and written).

While submitting the EOI for this assignment, the detailed description/vision of the implementation of the assignment and corresponding timeline which shall be in compliance to the requirements described in part B, I of this document, timelines prescribed in B, II of this Terms of Reference should be presented. Further, documents certifying the experience and qualifications required should be also provided.