



STATUTORY INSTRUMENT

Universal Access and Service Fund (Procedures) Regulation, 2013

***DRAFT UAS PROCEDURES
FOR NICTA REVIEW AND COMMENT***

MADE under the

National Information and Communications Technology Act, 2009

ARRANGEMENT OF SECTIONS

PART I—OBJECTIVE, APPLICATIONS AND SCOPE

1. Objectives.
2. Interpretation

PART II—ADMINISTRATION—UAS BOARD

3. Quarterly meeting of the UAS Board.
4. Quorum and votes of the UAS Board.
5. UAS Board member compensation.
6. Submission of recommendation for standing orders.
7. Approval of standing orders.
8. Provisions of standing orders.

9. Resignation of UAS Board members.
10. Withdrawal procedure.
11. Vacancy in the UAS Board.
12. Filling of vacancy.
13. Conflict of interest.
14. Prohibition from Vote.
15. Waiver.
16. Interpretation of this Part.

PART III—UAS OPERATING PLANS

17. UAS programs and Projects.
18. Strategic management plan.
19. Annual operating plans.
20. Preparation of an operating plan.
21. Provisions of an operating plan.
22. Initial operating plan.
23. Approval of an initial operating plan.
24. Provisions of an initial operating plan.
25. Basic UAS terms.
26. Interpretation of some basic terms of this Part.
27. Scope of the UAS Fund.
28. Analysis and decisions making.
29. Revising by subsequent operating plans.

PART IV—COMPETITIVE SELECTION PROCESSES

30. Requirement to use competitive selection processes.
31. Use of minimum subsidy auctions.
32. Publicity.
33. Criteria for evaluation.
34. Development of specific qualification criteria.
35. Evidentiary requirements.
36. Evaluation, award and notification.
37. Disqualification.
38. Termination and revocation of UAS Licence without compensation.
39. Declaration of a bidder as ineligible.
40. Written notice to be sent to the bidder by the UAS Board before disqualification, etc.
41. Cancellation of competitive selection process.
42. UAS Secretariat to undertake a review in respect of an insufficient number of qualified bids submitted.

PART V—COMPETITIVE SELECTION PROCESS DOCUMENTS

43. Document requirements.
44. Public notice.
45. Request for proposals.
46. Bid bond.
47. UAS Project Agreement
48. UAS Licence.
49. The UAS Board and UAS Secretariat's co-ordination on matters relating to the
licensing of service providers.
50. The Performance Bond
51. Timetable

PART VI—FINANCING OF THE UAS FUND

52. Establishment of UAS Annual levy
53. UAS Fund surpluses.
54. Restrictions on allocations of UAS Fund monies.
55. Estimation of UAS Fund's administrative and operational expenses.
56. Preparation and reporting of UAS Fund accounts
57. Investment of the UAS Fund assets.



STATUTORY INSTRUMENT

Universal Access and Service Fund (Procedures) Regulation, 2013

Being a regulation

PART I—OBJECTIVE

1. Objective

The objective of these regulations is to provide procedures for the effective implementation and operation of the Universal Access and Service Fund.

2. Interpretation

“Act” means the National Information and Communications Technology Act, 2009;

“RFP” means Request for Proposals.

PART II—ADMINISTRATION—UAS BOARD

3. Quarterly meeting of the UAS Board

- (1) The UAS Board shall hold an ordinary meeting at least once every calendar quarter.
- (2) The UAS Board shall have the authority to convene extra-ordinary meetings from time to time as may be required to address issues of strategic importance to the

UAS Secretariat, the UAS Fund or urgent matters with respect to specific projects undertaken by or being considered by the UAS Secretariat.

4. Quorum and votes of the UAS Board

Unless and until the UAS Board specifies to the contrary in the standing orders it approves to regulate its meetings and proceedings pursuant to regulation 7, the following shall apply to the meetings of the UAS Board-

- (a) to achieve quorum at the meetings of the UAS Board, a minimum of 3 members must be present;
- (b) when quorum is not achieved at a meeting, the UAS Board shall not hold a vote on UAS Board business;
- (c) a motion presented at a meeting of the UAS Board shall be deemed passed where a majority of the UAS Board members present at the meeting vote in favour of the motion ; and
- (d) where the vote on a motion presented at a meeting of the UAS Board is tied, the Chairman shall cast the deciding vote.

5. UAS Board member compensation

The remunerations and allowances payable to UAS Board members shall be equivalent to the remunerations and allowances payable to the members of NICTA, as may be determined and reviewed from time to time in accordance with the Act.

6. Submission of recommendation for standing orders

The UAS Secretariat shall submit recommendations for standing orders to regulate the UAS Board's meetings and proceedings for approval of the UAS Board pursuant to regulation 7 within 1 month of the coming into force of these Regulations.

7. Approval of standing orders

The UAS Board shall approve standing orders to regulate its meetings and proceedings within 2 months of the coming into force of these Regulations.

8. Provisions of standing orders

The standing orders approved by the UAS Board pursuant to regulation 7 shall include, at a minimum, provisions addressing the following issues-

- (a) the processes and procedures related to the holding of ordinary UAS Board meetings;
- (b) the processes and procedures related to the holding of extraordinary UAS Board meetings; and

- (c) all other necessary matters for the functioning of the UAS Board pursuant to the Act and these Regulations.

9. Resignation of UAS Board members

A UAS Board member may resign his or her office by giving 3 months written notice thereof addressed to the Chairman.

10. Withdrawal procedure

Prior to requiring a UAS Board member to be removed under section 92(2)(e) of the Act.-

- (a) the UAS Board shall inform the UAS Board member by written notice, within a reasonable time, of its intention to require the UAS Board member to be withdrawn from office and the reasons therefore; and
- (b) the affected UAS Board member shall be given a reasonable opportunity to make written submissions to the UAS Board within a time period specified in the notice and such time period shall not be less than 14 days from the date of the notice; and
- (c) the UAS Board shall consider the written submissions in making its final decision on requiring the UAS Board member to be withdrawn from office.

11. Vacancy in the Board

There is a vacancy in the UAS Board if a member-

- (a) dies;
- (b) resigns from office ; or
- (c) is removed from office in accordance with the section 92 of the Act or regulation 10.

12. Filling of vacancy

A vacancy in the UAS Board shall be filled by the appointment of another person to the vacant office in accordance with section 92 of the Act, as soon as is reasonably practicable after the occurrence of such vacancy.

13. Conflict of interest

Each member of the UAS Board shall present a written declaration to the UAS Board, upon appointment and in accordance with section 92(2)(e)(vii) of the Act, annually thereafter for as long as he serves the UAS Board, disclosing all direct or indirect financial interests or investments in any aspect of the PNG communications industry that

he knowingly has or that he knows any member of his immediate family to have.

14. Prohibition from vote

A member of the UAS Board shall not vote on a matter before the UAS Board where he or any member of his immediate family has a direct or indirect financial interest or investment in the matter.

15. Waiver

The UAS Board may waive, on a case by case basis, the application of the prohibition specified in regulation 15 to any UAS Board member if the UAS Board determines that the financial interest or investment of the member is not of a material nature or is minimal.

16. Interpretation of this Part

For the purposes of regulations 14 and 15, “immediate family” means a person’s spouse, parents, siblings and children.

PART III—UAS OPERATING PLANS

17. UAS Programs and Projects

The UAS Secretariat shall prepare UAS Programs and UAS Projects as follows-

- (a) “UAS Programs” are the general macro-level UAS initiatives aimed at achieving one or more of the UAS Objectives, typically over the course of several years.
- (b) UAS Programs shall define specific targets in terms of specific sets of networks and/or services to be implemented in stages over the course of the UAS Program;
- (c) “UAS Projects” are the specific micro-level implementation activities related to each UAS Program.
- (d) One or more UAS Projects may be implemented at the same time under a given UAS Program.
- (e) UAS Projects may be designed by the UAS Secretariat or may be proposed by other persons for consideration of the UAS Secretariat.

18. Strategic Management Plan

- (1) The UAS Secretariat shall prepare a strategic management plan for the approval of the UAS Board setting out its Vision, Mission and Objective and incorporating

its long term plans, including intended UAS Programs to be implemented, over a five year period.

- (2) The strategic management plan shall be reviewed from time to time.

19. Annual Operating Plans

The UAS Board shall, from time to time, and at least once a year, approve a plan (the “Operating Plan”) to direct the operations of the UAS Board and UAS Secretariat in implementing the specific UAS Programs and UAS Projects included in the Strategic Management Plan.

20. Preparation of an operating plan

The UAS Secretariat shall, from time to time, and at least once a year, prepare an Operating Plan for approval of the UAS Board.

21. Provisions of an operating plan

Each Operating Plan shall include one or more UAS Programs and UAS Projects, and a budget for all operations and expenses of the UAS Board, UAS Secretariat, UAS Fund Managers and all other matters to be financed by the UAS Fund during the period of the Operating Plan.

22. Initial operating plan

The UAS Secretariat shall prepare an initial Operating Plan for approval of the UAS Board within 9 months of the coming into force of these Regulations.

23. Approval of an initial operating plan.

The UAS Board shall approve an initial Operating Plan within 12 months of the coming into force of these Regulations.

24. Provisions of an initial operating plan.

The initial Operating Plan shall include the following-

- (a) definitions for the following terms (the “Basic UAS Terms”), in accordance with regulation 27-
 - (i) “designated population”, “institutions”, “unserved areas” “underserved areas” and “underserved groups within a community” (together the “UAS Areas and Populations”);
 - (ii) “universal access”, “universal service”, “universal coverage” and “served areas”; and
 - (iii) “usersupport resources”.

- (b) UAS Targets and UAS Priorities with respect to achieving universal access and universal service in the UAS Areas and Populations (the “UAS Objectives”) as follows -
 - (i) “UAS Targets” are the specific goals for achievement of both universal access and universal service, or either universal access or universal service as the case may be, for one or more of the UAS Areas and Populations. Such goals may be expressed in number of years or another quantitative basis, including specified goals for increasing levels of service demand or usage among designated populations.
 - (ii) “UAS Priorities” represent the relative importance of the UAS Targets as reflected in the comparative emphasis and sequencing of the UAS Targets.
- (c) one or more initial UAS Programs and UAS Projects;
- (d) identification of which specific geographic areas and populations of PNG are to be included in the UAS Areas and Populations covered by each UAS Project included in the initial Operating Plan ; and
- (e) any other information required to be included in the initial Operating Plan by these Regulations.

25. Basic UAS terms

For the purposes of these Regulations to achieve

- (a) “universal access” means that 100% of a designated population can obtain, at a minimum, public access to a particular service at a specified quality, through reasonably available and affordable public or community facilities ; and
- (b) “universal service” means that 100% of a designated population are reasonably able to privately subscribe to and use a particular service at a specified quality on an individual, household or institutional basis.

26. Interpretation of certain basic terms of this part

As initial definitions to be confirmed or modified in the initial Operating Plan, the Basic UAS Terms shall have the meanings identified as follows -

- (a) in reference to universal access -
 - (i) “served areas” means the geographic areas where universal access is currently available,

- (ii) “unserved areas” means the geographic areas where no level of access is currently available,
 - (iii) “underserved areas” means geographic areas where some level of access is currently available but where universal access is not currently available,
 - (iv) “designated population” means the individuals, households, groups, communities, institutions, etc. determined by the UAS Secretariat to be the target beneficiaries of universal access,
 - (v) “institutions” means the public entities included in a designated population, which may include, but are not limited to, educational, health, administrative and other public entities, and
 - (vi) “underserved groups within a community” means the groups included in a designated population, which consist of a significant but not majority proportion of individuals within a community that share a set of distinct characteristics and that, unlike the rest of the community, do not have universal access;
- (b) in reference to universal service –
- (i) “served areas” means the geographic areas where universal service is currently available;
 - (ii) “unserved areas” means the geographic areas where no level of service is currently available;
 - (iii) “underserved areas” means geographic areas where some level of service is currently available but where universal service is not currently available;
 - (iv) “designated population” means the individuals, households, groups, communities, institutions, etc. determined by the UAS Secretariat to be the target beneficiaries of universal service;
 - (v) “institutions” means the public entities included in a designated population, which may include, but are not limited to, educational, health, administrative and other public entities, and
 - (vi) “underserved groups within a community” means the groups included in a designated population, which consist of a significant but not majority proportion of individuals within a community that share a set of distinct characteristics and that, unlike the rest of the community, do not have universal service
 - (vii) “user support resources” means services, equipment, software

applications, capacity building programs, and similar activities and support that may enhance the ability of underserved groups and populations to utilize and benefit from communications services.

27. Scope of the UAS Fund

In preparing the Operating Plan, the UAS Secretariat shall have regard to the scope of the activities, including UAS Programs and Projects, to be financed by the UAS Fund (the “Scope of the UAS Fund”) as estimated by the UAS Secretariat for the five-year period commencing on the expected implementation date of the Operating Plan. The Scope of the UAS Fund shall be determined by the UAS Secretariat based on the -

- (a) projected amount of UAS Fund monies available over the course of the five year period commencing on the expected implementation date of the Operating Plan;
- (b) UAS Objectives; and
- (c) issues specified in [regulation 29](#).

28. Analysis and decisions making

In determining the Scope of the UAS Fund, the UAS Secretariat shall undertake analysis and make related decisions with respect to the following issues -

- (a) under what conditions the UAS Fund shall seek to promote universal access or universal service or both to designated UAS Areas and Populations;
- (b) what specific types of services and facilities are to be provided to the UAS Areas and Populations, in accordance with the following -
 - (i) as an initial priority to be confirmed or modified in the initial Operating plan, the UAS Secretariat shall focus on the provision of voice service, Internet service, and the related facilities and user support resources, to the designated UAS Areas and Populations, and
 - (ii) the UAS Secretariat may consider any available technology in preparing definitions for “voice service”, “Internet service”, “related facilities”, and “user support resources” for the purposes of these Regulations, and may modify the definitions from time to time to take into account technological developments;
- (d) what methodology and economic criteria are to be used for selecting which types of UAS Projects are eligible to receive financing from the UAS Fund, in accordance with the following -

(i) as an initial methodology to be confirmed or modified in the initial Operating Plan, the UAS Secretariat shall prepare a financial analysis that estimates the comparative financial characteristics and subsidy requirements of different possible UAS Projects that could be undertaken to provide the services and facilities designated by the UAS Secretariat to the UAS Areas and Populations, and

(ii) based on procedures to be developed by the UAS Secretariat, the UAS Secretariat shall categorize these possible UAS Projects as follows -

“Commercially Profitable UAS Projects” - such UAS Projects are estimated by the UAS Secretariat to be commercially profitable without any subsidy;

“Commercially Unprofitable UAS Projects”— for such UAS Projects to be commercially profitable, the UAS Secretariat estimates a subsidy requirement of less than 50% of the estimated UAS Project capital costs;

“Commercially Unviable UAS Projects” - for such UAS Projects to be commercially profitable, the UAS Secretariat estimates a subsidy requirement-

(A) of more than 50% of the estimated UAS Project capital costs; or

(B) for ongoing operating costs after a start-up period of time determined to be reasonable for the UAS Project by the UAS Secretariat;

(iii) as initial economic criteria to be confirmed or modified in the initial Operating Plan -

(A) Commercially Unprofitable UAS Projects shall be eligible to receive financing from the UAS Fund and shall be the primary focus of the UAS Board;

(B) Commercially Unviable UAS Projects and Commercially Profitable UAS Projects shall be eligible to receive financing from the UAS Fund, but shall be a secondary focus of the UAS Board. Such UAS Projects shall only receive financing where the UAS Board determines there are strong social, economic or other strategic development reasons for undertaking such UAS Projects.

29. Revision of operating plans

One or more of the following, as established in the initial Operating Plan, may be revised, in whole or in part, in subsequent Operating Plans approved by the UAS Board-

- (a) the Basic UAS Terms, including, but not limited to, the UAS Areas and Populations ;
- (b) the UAS Objectives, including, but not limited to, one or more of the UAS Targets and/or UAS Priorities ; and
- (c) the Scope of the UAS Fund, including, but not limited to, the types of UAS Projects that are eligible to receive financing from the UAS Fund and/or one or more of the other components of the Scope of the UAS Fund.

PART IV—COMPETITIVE SELECTION PROCESS

30. Requirement to use competitive selection processes

Unless expressly provided for under the Act, UAS Projects shall be awarded to one or more bidders, as the case may be, using a competitive selection process designed and implemented by the UAS Secretariat in accordance with these Regulations.

31. Use of minimum subsidy auctions

The competitive selection processes used by the UAS Secretariat may include minimum subsidy auctions or such other processes designed by the UAS Secretariat that are in accordance with these Regulations. As an initial position to be confirmed or modified in the initial Operating Plan, the UAS Secretariat shall use minimum subsidy auctions as its preferred form of competitive selection process.

32. Publicity

The publicity for the competitive selection process for each UAS Project shall -

- (a) be sufficient to notify a reasonable pool of potential bidders in advance of the competitive selection process; and
- (b) conform at a minimum, with the Public Notice requirements specified in **Regulations 44 to 46.**

33. Criteria for evaluation

The UAS Secretariat shall develop qualification criteria which bidders must meet or exceed to be eligible for award of a UAS Project Agreement and UAS Licence.

34. Development of specific qualification criteria

Specific qualification criteria shall be developed for each UAS Project to establish to the satisfaction of the UAS Secretariat that qualified bidders are capable of successfully undertaking the UAS Project, and shall address at least the following matters -

- (a) the bidder must demonstrate that it has a financial capacity sufficient to implement the UAS Project ;
- (b) the bidder must demonstrate that it has operational experience sufficient to implement the UAS Project ;
- (c) the bidder must demonstrate that it is in compliance with any existing licences held by the bidder ; and
- (d) the bidder must demonstrate that it is otherwise eligible for award of the UAS Project Agreement and UAS Licence under the laws of PNG and any other applicable requirements.

35. Evidentiary requirements

Evidentiary requirements for bidders to demonstrate compliance with the qualification criteria for each UAS Project shall also be established by the UAS Secretariat.

36. Evaluation, award and notification

(1) The UAS Secretariat shall evaluate bids for each UAS Project and make a recommendation to NICTA as follows –

- (a) all bids submitted prior to the deadline specified in the RFP shall be reviewed;
- (b) a determination shall be made regarding whether a bid is compliant with each of the qualification criteria established for the UAS Project;
- (c) all bids will be separated into two categories –
 - (i) qualified bids ; and
 - (ii) unqualified bids;
- (d) unqualified bids shall be disqualified and removed from further consideration in a competitive selection process, and notice of same shall be sent to the unqualified bidders;
- (e) qualified bids shall be eligible for further consideration in a competitive selection process as follows -
 - (i) where the competitive selection process is a minimum subsidy auction the financial bids of each qualified bidder shall be reviewed and the qualified bidder that has submitted the lowest

financial bid shall be awarded the UAS Project Agreement and UAS Licence, and notice of same shall be sent to the qualified bidders;

- (ii) where the competitive selection process is another process designed by the UAS Secretariat, the UAS Project Agreement and UAS Licence shall be awarded to a qualified bidder in accordance with the rules of award established for that process, and notice of same shall be sent to the qualified bidders;
- (iii) where the bidder awarded the UAS Project Agreement and UAS Licence does not execute the UAS Project Agreement, collect the UAS Licence or comply with any other requirements of the competitive selection process in the time period specified by the UAS Secretariat, another qualified bidder shall be awarded the UAS Project Agreement and UAS Licence, and notice of same shall be sent to the qualified bidders, in accordance with the following-
 - (A) “where the competitive selection process is a minimum subsidy auction”, the qualified bidder that has submitted the next lowest financial bid shall be awarded the UAS Project Agreement and UAS Licence ; and
 - (B) “where the competitive selection process is another process designed by the UAS Secretariat”, the UAS Project Agreement and UAS Licence shall be awarded to another qualified bidder in accordance with the rules of award established for that process.

(2) Upon the submission by the UAS Secretariat of its recommendation to NICTA under subsection (1) NICTA will make a final decision guided by the recommendation.

37. Disqualification

- (1) Bidders shall be disqualified and removed from further consideration in a competitive selection process for anyone or more of the following reasons-
 - (a) failure to submit the bid by the prescribed deadline ;
 - (b) failure to submit a complete bid in accordance with the RFP ;
 - (c) failure to comply with any of the procedures or other requirements established by the RFP ;
 - (d) failure to submit the Bid Bond amount specified in the RFP ;

- (e) substantial inaccuracy or misrepresentation of any material facts in any part of the bid ;
 - (f) any “corrupt practice”, meaning the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in relation to the competitive selection process established by the RFP, the execution of the UAS Project Agreement or issuance of the UAS Licence ;
 - (g) any “fraudulent practice”, meaning a misrepresentation of facts in order to influence the results of the competitive selection process established by the RFP, the execution of the UAS Project Agreement or issuance of the UAS Licence to the detriment of the UAS Board ;
 - (h) any “collusive practice”, meaning a scheme or arrangement between two or more bidders (prior to or after bid submission), with or without the knowledge of the UAS Board, designed to establish bid prices at artificial, non-competitive levels and to deprive the UAS Board of the benefits of free and open competition ; and
 - (i) any “coercive practice”, meaning harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the competitive selection process established by the RFP, or to affect the execution of the UAS Project Agreement or issuance of the UAS Licence.
- (2) If NICTA determines, upon the advice of the UAS Secretariat and based on credible evidence, that any of the above reasons for disqualification have occurred, it may terminate the UAS project and revoke any contract awarded.
- (3) Before taking action against a bidder pursuant to these disqualification provisions, NICTA shall send a written notice to the bidder identifying the circumstances and practices relied on by the Board to support such action, and inviting the bidder to submit a written response within a period of not less than 10 days from the receipt of the notice.
- (4) NICTA shall consider any response of the bidder in making a final determination regarding disqualification.

38. Termination and revocation of UAS Licence without compensation

If evidence of any of the activities referred to in **regulation 37** is disclosed after the UAS Project Agreement and UAS Licence have been awarded, the UAS Board, in consultation with the NICTA, may terminate the UAS Project Agreement and revoke the UAS Licence without compensation. The provisions of this regulation are in addition to any criminal or civil legal action which may be available to or taken by any government or regulatory authority.

39. Declaration of a bidder as ineligible

NICTA may, upon the advice of the UAS Secretariat, declare a bidder ineligible, either indefinitely or for a stated period of time, to be awarded a UAS Project if it at any time determines that the bidder has engaged in corrupt, fraudulent, collusive or coercive practices in applying for, or in executing, a UAS Project.

40. Written notice to be sent to the bidder by the UAS Board before disqualification-etc.

Before taking action pursuant to **regulations 37, 38 or 39**, the UAS Board shall send a written notice to the bidder identifying the circumstances and practices relied on by the UAS Board to support such action, and inviting the bidder to submit a written response within a period of not less than 10 days from receipt of the notice.

41. Cancellation of competitive selection process

Where less than two qualified bids have been submitted prior to the deadline specified in the RFP, the UAS Secretariat shall cancel the competitive selection process without awarding of a UAS Project Agreement and UAS Licence.

42. UAS Secretariat to undertake a review in respect of an insufficient number of qualified bids submitted

Where a competitive selection process has been cancelled pursuant to, **regulation 41**, the UAS Secretariat shall undertake a review to determine the most likely reasons that an insufficient number of qualified bids were submitted. Based on the results of this review, the UAS Secretariat may -

- (a) restart the competitive selection process in its original form;
- (b) restart the competitive selection process following revision of one or more of its terms and conditions, including, but not limited to, the subsidy available; or
- (c) abandon the competitive selection process.

PART V—COMPETITIVE SELECTION PROCESS DOCUMENTS

43. Document requirements

For the competitive selection process used to select a service provider to implement each UAS Project, the UAS Secretariat shall prepare and use the documents specified in **regulation 44**, or such other documents as determined by the UAS Secretariat.

44. Public notice

- (1) The UAS Secretariat shall issue a public notice (to be known as “the Public Notice”) to announce the competition for the UAS Project and alert potential bidders.
- (2) The Public Notice shall be issued on the NICTA website and in at least two widely circulating national newspapers in PNG.
- (3) Where parties that are potential new entrants to the PNG communications sector are eligible to bid in a competitive selection process, the Public Notice shall also be issued in at least one reputable international periodical or trade publication of wide circulation, as determined by the UAS Secretariat.
- (4) The Public Notice shall contain-
 - (a) a brief description of the UAS Project;
 - (b) an indication of the date on which the RFP for the UAS Project shall be made available; and
 - (c) a telephone number, e-mail address and mail address at which potential bidders may contact the UAS Secretariat for further information regarding the UAS Project.
- (5) The Public Notice shall be in a standard form approved by the UAS Board.

45. Request for Proposals

- (1) The UAS Secretariat shall issue an RFP to specify the details of the UAS Project and the related competitive selection process for potential bidders.
- (2) The RFP shall be in a standard form approved by the UAS Board.
- (3) The RFP shall be posted on the NICTA website, either concurrently with or subsequent to the issuance of the Public Notice for the UAS Project.
- (4) The RFP shall contain detailed descriptions of-
 - (a) the technical and operational requirements of the UAS Project;
 - (b) the maximum subsidy available from the UAS Fund for the UAS Project, if the UAS Board deems that such amount should be publicly revealed to prospective bidders for such UAS Project; and
 - (c) the competitive selection process for the UAS Project, including -
 - (i) an estimated timeline for key steps in the competitive selection process;
 - (ii) the minimum service, qualification and other requirements for

eligible bidders, and related evidentiary requirements; and

- (iii) the rules for evaluating bids and selecting one or more winning bidders.

46. Bid Bond

- (1) If a Bid Bond is required under section 114 of the Act, the UAS Secretariat shall specify in the RFP the form of financial security (hereafter in these Regulations referred to as the “Bid Bond”) to be submitted to the UAS Secretariat by bidders for a UAS Project to secure their bids.
- (2) The specified form of Bid Bond shall contain -
 - (a) the required amount of the Bid Bond which shall be no greater than 5% of the available subsidy amount of the project;
 - (b) details of the events triggering forfeiture of the Bid Bond; and
 - (c) the date and conditions under by which the Bid Bond will be released by the UAS Secretariat.

47. UAS Project Agreement

- (1) The UAS Secretariat shall specify in the RFP a form of agreement (in these Regulations referred to as the “UAS Project Agreement”) to be awarded by the UAS Board and executed between NICTA and a winning bidder to establish the winning bidder’s obligation to implement the UAS Project, the UAS Board’s obligation to pay the corresponding subsidy and all related necessary matters, as determined by the Secretariat.
- (2) The specified form of UAS Project Agreement shall be a standard form approved by NICTA prior to issuance of the RFP.

48. UAS Licence

- (1) The UAS Secretariat shall specify in the RFP a form of licence (in these Regulations referred to as “UAS Licence”) to be issued by NICTA to a winning bidder to authorize the winning bidder to provide the services necessary to implement the UAS Project.
- (2) The specified form of UAS Licence shall be a standard form approved by both the UAS Board and NICTA prior to issuance of the RFP.
- (3) If the service provider awarded a UAS Project Agreement already holds a licence issued by the NICTA to provide the services required implementing the UAS Project, the UAS Secretariat may determine that it is not necessary to issue the UAS Licence to the service provider.

49. Co-ordination by the UAS Board and UAS Secretariat on matters relating to the licensing of service providers.

- (1) The UAS Board and UAS Secretariat shall coordinate with NICTA on all matters relating to the licensing of service providers to implement UAS Projects, which shall conform at all times with the licensing requirements of the Act.
- (2) Matters for co-ordination with NICTA pursuant to sub-regulation (1) of this regulation include -
 - (a) the form and content of UAS Licences;
 - (b) the eligibility requirements for licensees; and
 - (c) the licensing process.

50. The Performance Bond

- (1) If a Performance Bond is required under section 118(1) of the Act, the UAS Secretariat shall specify the Performance Bond to be submitted to the UAS Secretariat by a winning bidder for a UAS Project to secure its UAS Project obligations.
- (2) The Performance Bond shall be in the form of a stand-by letter of credit issued by a reputable bank located in or outside of PNG that is acceptable to the UAS Secretariat, or such other form as determined by the UAS Secretariat.

51. Timetable

- (1) The UAS Secretariat shall establish a clear timetable for each of the key events associated with each UAS project procurement.
- (2) The following indicative deadlines shall be considered reasonable for typical projects.

Event	Time Frame
RFP release	Week 0
Bidders conference	RFP + 3 weeks
Eligibility determinations	RFP + 4 weeks
Proposal submission	RFP + 8 weeks
Technical evaluations	RFP + 12 weeks
Financial bid opening	RFP + 14 weeks
Winning bid announcement	RFP + 14 weeks
Contract award, execution	RFP + 18 weeks

- (3) The UAS Secretariat may adjust any of the deadlines to accommodate the scheduling needs of any particular project, subject to the restriction that no procurement shall require more than six (6) months from the public release of the Request for Proposals to the selection of the winning bidder.

PART VI—FINANCING OF THE UAS FUND

52. Establishment of UAS Annual Levy

- (1) The amount of the Universal Access and Service Levy shall not exceed 2% of net revenues of the licensees from which NICTA collects annual levies.
- (2) The UAS Levy shall be paid into the UAS Fund, in accordance with procedures established between the NICTA and the UAS Board.

53. UAS Fund surpluses

- (1) The difference between the amount collected or received by the UAS Fund and the amount actually disbursed pursuant to the current Operating Plan shall be retained by the UAS Fund for the financing of future Operating Plans.
- (2) The only non-UAS Project subsidy expenses permitted to be charged to the UAS Fund are the administrative and operational expenses for the UAS Fund.

54. Estimation of UAS Fund's administrative and operational expenses

- (1) The administrative and operational expenses for the UAS Fund shall be estimated in each Operating Plan.
- (2) The actual administrative and operational expenses charged to the UAS Fund shall in no case exceed the total of the estimated administrative and operational expenses in the current Operating Plan plus an additional amount for unexpected expenses equal to 3% of the UAS Fund.

55. Investment of UAS Fund assets

The assets of the UAS Fund may be invested in one or more of the following-

- (a) fixed bank deposits;
- (b) treasury bills and securities of the Government; and
- (c) other means approved by the UAS Board and in accordance with applicable financial regulations.

