

Post and Telecommunications



A group of contracts was awarded to foreign and local firms for the rehabilitation of the Public Switched Telephone Network (PSTN) to increase its capacity to 1,730,000 lines, i.e. the equivalent of one line for every three persons. The total cost of these contracts, which were completed at the end of 2002, amounted to about US\$ 775 million.

At the same time, a mobile telephone system (GSM) was introduced through concessions awarded to two competing operators. The two networks now have at least 900,000 subscribers. The two operators undertook the necessary investments and the government collects now revenue from this operation.

Following repossession of the two mobile telephone systems, the government now intends to re-privatize the complete sector, i.e. both the PSTN and the GSM systems. However, several projects relating to the development of this sector are still required to render it competitive and capable of handling modern technologies, particularly in the fields of information exchange, state of the art networks and the internet. However, implementation of these projects needs more clarification of the role that both the government and the firms will play in this sector.

Achievements to Date

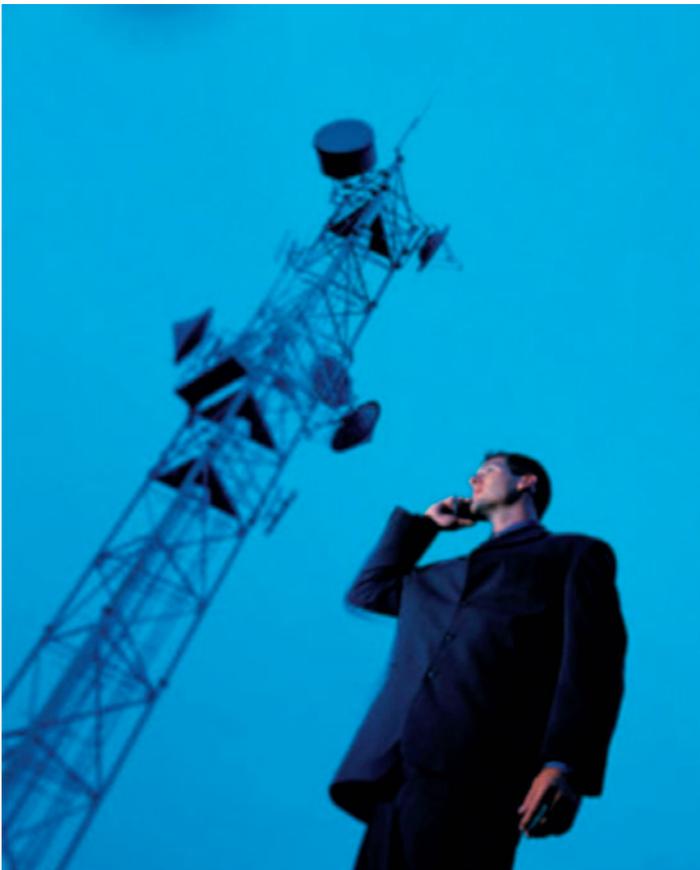
Installation of telephone exchanges (switching contracts): The related contracts and contract amendments (about US\$ 145 million) provide for the installation of 313 telephone exchanges with a total capacity of 1,142,000 lines in all regions of Lebanon. These were completed at the end of 2001. Three telephone exchanges for international calls and eight telephone exchanges for national calls have also been installed. The exchanges provide Caller Identification Presentation (CLIP), voice messaging services and 13376 Integrated Line Services Digital Network (ISDN) lines.

Three contract amendments were signed to increase the total capacity of the exchanges by 48,000 additional lines (US\$ 8.8 million) and to provide 17,100 additional ISDN lines and four new exchanges, which were installed at the end of 2002. Thus, the total number of telephone lines reached 1,190,000 and the total number of digital (ISDN) lines amounted to 30,476.

Modernization of telephone exchange programs and equipment: The telephone exchange programs and equipment have been recently updated to comply with technical developments in the



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telecommunications sector and to add many new services for subscribers and exchanges. The cost of these works amounted to about US \$ 25 million. The project covered all main and branch exchanges, including those designated for international telecommunications.

Rehabilitation and extension of the Public Switched Telephone Network (PSTN): This project covered the rehabilitation and extension of the Public Switched Telephone Network (PSTN), at a total cost of US\$ 550 million, for improving communications among all regions of Lebanon. It included the preparation of the studies for plans and installation of the local telephone network. The first lot of PSTN contracts covered the following components:

- Installation of 971,600 primary pairs (connection from exchanges to local distributors);
- Rehabilitation of 123 telephone exchange buildings and construction of 185 new buildings in all Lebanese regions;
- Installation of the Wireless Local Loop system. This system is suitable for rural areas where the cost of telephone line installation is high;
- Installation of advanced digital transmission systems to interconnect all Lebanese regions.

The second set of contracts was implemented in two phases by the Ministry of Telecommunications. The first phase, known as OSP-1 (Outside Plant-1) covered the installation of 200,000 lines, while the second phase, known as OSP-2 (Outside Plant-2), covered the installation of 600,000 lines in rural areas.

The first group of PSTN contracts was completed at the end of 2002, while the works of the second phase were completed at the end of 2003.

The leased lines project was also completed at the end of 2002 by the Ministry of Telecommunications at a cost of US\$ 10 million. The project aimed to provide leased telephone lines to corporate clients.

Installation of public telephone booths: The CDR supervised the installation of 4000 public telephone booths distributed in all Lebanese regions. These works were completed by the end of 2005.

International telecommunications:

Several projects for improving international telecommunications have been completed. The most important of these include:

- **Installation of two submarine fiber optic cables:** The first connects Tartous (Syria) with Tripoli, Beirut, Saida (Lebanon) and Alexandria (Egypt) with a capacity to handle 9,000 simultaneous calls; while the second connects Lebanon, Cyprus, Crete and France and can handle 7,560 simultaneous calls. The total cost of the project was about US\$ 12 million;
- Installation of a fiber optic and wireless connection between Beirut and Damascus with a capacity of 189 simultaneous telephone calls at a cost of about US\$ 1.34 million;
- Installation of ground earth satellite stations in Arbanieh and Jouret el Ballout at a cost of about US\$ 4 million and US\$ 5 million, respectively.

Other projects: At the institutional level, a study for re-organization of the Ministry of Telecommunications (MOT) was carried out to separate its operational and maintenance functions from its monitoring and control functions.

Several other contracts have also been completed:

- Installation of a control and management system for transmission and switching

equipment (US\$ 577,000);

- Restructuring of the telecommunications sector, re-organization of the administration and preparation of studies for creating marketing services and commercial agencies (US\$ 7 million).

Other projects: Simultaneously with the PSTN, GSM and telephone exchange contracts, another contract was awarded for the preparation of studies covering the PSTN and the GSM systems, including supervision, implementation and co-ordination among contractors. The value of the contract amounted to US\$ 47 million.

Projects in Preparation

CDR is preparing at present, in cooperation with the Ministry of Telecommunications, several development projects in this sector, the most important of which are:

- Installation of a high capacity data network among Lebanese cities (estimated at US\$ 13 million). Tender documents are under preparation and will be released soon;
- Installation of a new high performance local data transmission network for Beirut, independent of the existing telephone network, and intended for corporate clients (city network) (estimated at US\$ 7.5 million).

Posts**Projects in Progress**

Postal services: A contract was signed in mid 1998 with a Canadian consortium for the operation of the postal services (mail distribution, counter services, express mail, philatelic services, etc.) in all regions of Lebanon. The consortium was responsible for rehabilitating and equipping all post office buildings, street and property numbering and mail box installation. The cost of this project was approximately US\$ 50 million. Since the contract is in the form of a concession (BOT) no cost was borne by the Lebanese Government.