

AIRGRAM

DEPARTMENT OF STATE

669011-2

UNCLASSIFIED
CLASSIFICATION

A.I.D.
Reference Center
Room 1636 HS

For each address check one ACTION | INFO

TO - AID/WASHINGTON TOAID A 778

DATE REC'D.
AD-AAC-088-81
11p.
1968 AUG 7 AM 8 15
AID
C & DATE SENT
7/30/68

1968 AUG 7

see prop 8/21/70 GA 7

7

DISTRIBUTION

ACTION

*APR
INFO.
we
AFC
SPD
PRR
HCL
BWD*

FROM - MONROVIA

SUBJECT - Noncapital Project Paper (PROP)
Telecommunications Management

REFERENCE -

NONCAPITAL PROJECT PAPER (PROP)

Country Liberia Project No. 669-11-270-111

Submission Date August 1968 Original X

Project Title: Telecommunications Management

U.S. Obligation Span: FY 1969 through FY 1973

Physical Implementation Span: FY 1969 through FY 1973

Gross life-of-project financial requirements:

U.S. dollars	\$2,040,000
Cooperating country cash contribution	\$ 225,000
Total	\$2,265,000

*73
69
4*

OTHER AGENCY

*State
APR
PRR
mas*

I. Summary Description

During recent years the Government of Liberia has made substantial investments in the field of telecommunications. The system that now exists in Liberia, although technically near adequate

PAGE	PAGES
1	OF 11

DRAFTED BY JMTorbet:md	OFFICE PW	PHONE NO.	DATE 7/19/68	APPROVED BY: <i>Paul</i> John A. ILINSKI, jr., Director
---------------------------	--------------	-----------	-----------------	---

AID AND OTHER CLEARANCES

PW _____ D/DIR _____
PR _____
CON (INFO)

UNCLASSIFIED
CLASSIFICATION

2. 11 to 6. 1960

for the current needs of the country, requires a high degree of varied managerial and technical skills to design, operate, and maintain. The required expertise, either managerial or technical, to create a viable organization, is not available within the existing telecommunications structure. Neither are there sufficient quantity or quality of trained Liberian personnel elsewhere, in private industry or other government organizations, available to meet the requirements of the telecommunications system.

Lacking the technical skills to maintain and repair the equipment in a regular and systematic manner, it is rapidly deteriorating, with a resultant loss of the original investment. Lacking proper managerial direction, the system will continue to operate at a deficit, contributing an additional burden to the GCL's already strained budget.

This project will provide managerial and technical assistance directed toward accomplishment of three broad objectives:

1. To ensure efficient operation and maintenance of the existing telecommunications system.
2. To reduce the operating deficit of the system through the initiation of fiscal reform and financial procedures in accordance with sound business practices.
3. To establish a Telecommunications Authority as a proficient, streamlined organization, completely staffed by Liberians, capable of effectively meeting its total responsibilities with efficiency and dispatch.

Transmit description

The basic physical facilities comprising the system consist of: (1) a local telephone system for metropolitan Monrovia, and small local exchanges in most of the principal towns; (2) a domestic long distance (microwave) system consisting of three legs (Monrovia-Harper, 250 miles; Monrovia-Sanniquelle, 160 miles; Monrovia-Robertsport, 50 miles); with secondary SSB lines radiating from Monrovia, Gbarnga, and Harper; and (3) international system consisting of telephone, telegraph, and telex links.

11

The table of organization, or internal chain of command of the present communications structure, is not conducive to an efficient operation. Within the Post Office Department, a Commissioner of Radio exercises jurisdiction over all radio and microwave communications, and a Commissioner of Telephones is responsible for operation of the telephone services. Since telephone conversations are often transmitted through radio and microwave, the separation of these services is artificial.

This separation also leads to difficulty in assessing the financial status of the separate divisions, because of the difficulty in allocating costs and revenues for customers using the combined services.

output

The general approach to the project would be the creation of a semi-autonomous Telecommunications Authority, wholly owned by the Government of Liberia, but able to operate outside the bureaucracy. This project would provide an aggregate of ten people to operate and manage the system, under the general direction of a Board of Directors. The GOL will continue to provide the Authority a subsidy to make up the operating deficit of the systems, until such time as this deficit is eliminated. The Government will also continue to provide debt services for prior telecommunication investments, again, until the Authority is on a sufficiently firm financial footing to allow it to assume this responsibility. The GOL will, through the Authority, provide the base salary for ten operational personnel, and will provide the supporting staff, facilities, and equipment for implementation of the project.

II. Setting

While realizing that internal and external communications systems are necessary for the economic and social development of the country and to its security, the GOL justifiably desires to operate such systems on a self-sustaining basis. The internal micro-wave sector of the system provides the only method of rapid internal communication, but operates at a decided loss, thereby placing an additional burden upon the more fiscally favorable elements of the system to the detriment of the GOL budget as a whole.

The Liberian Government has recognized the necessity to improve the management, fiscal policy and technical capability of the entire government telecommunication systems. Enabling legislation has been passed, although not yet implemented, authorizing the establishment of a separate governmental corporation, the Telecommunications Authority, which will assume the assets and responsibilities, but not the debts, of prior telecommunications authorities. The new Authority will be responsible for its own fiscal planning and management, its own general and technical training. At present, the GOL has contracted with RCA of Canada for technical maintenance of the micro-wave system at an annual cost in excess of \$300,000 (U.S.).

Although GOL has discussed the possibility of obtaining management and technical services under contract with US and other direct contractors, with the possibility of payment through increased revenues, it is doubtful if such additional revenues (in addition to those actually required for full maintenance of the deteriorating system) can be realized

in the immediate future. A high degree of probability exists, therefore, that GOL will be forced into further deficit financing of ~~such~~ such a contract along with maintenance commodities and supplies, or would have to further curtail the already inadequate maintenance program.

Although the enabling legislation setting up the Authority exists, much will need to be accomplished to make the organization a viable one. These include developmental expenditures, establishment of a sound personnel system including enhancement of morals and job discipline, improved budgetary planning and sound fiscal policy in regard to expenditures, collections and rate structures. Since the Authority will be an autonomous agency, self-regulation of its internal affairs is possible, and prior experience with the PUA under similar conditions shows that marked progress can be made in a relatively short period.

Additionally, it will be necessary to carry out a regulated training program at all levels so as to provide in-depth Liberian capability to manage the day-to-day affairs of the Authority as soon as possible.

The existing lack of Liberian technical/administrative employees creates a problem in the present functioning of the organization. The project proposes to remedy this through OPEX type assistance at that level.

III. Strategy

It is axiomatic that the ability of a nation to communicate is a fundamental requisite for its growth, development, unification, and security. In Liberia, communications, or lack of communications, affect the progress of practically every developmental project to some extent. Projects in the fields of public health, public safety, education, agriculture, and public works development at present are all adversely affected by inadequate communications. In the private sector, commercial and industrial enterprises operate at a disadvantage due to the absence of, or unreliability of, the communications network, both local and international.

Recognizing the necessity for an efficient communications network, it becomes apparent that two basic changes must occur in the present system before it can be put on a sound footing. First, the Telecommunications Authority must be established with a degree of autonomy, and a latitude of action, not found within the framework of the typical Liberian government organization. The Authority must be free to pursue its own personnel policies, including the right to set its own salary scales, hire and dismiss personnel without outside interference, promote according to merit, and otherwise create an

atmosphere to attract and retain qualified persons. The Authority must also have the authority and backing to pursue a vigorous and impartial policy for collection of accounts.

Second, expatriate assistance in the form of managerial and technical personnel must be brought in to manage the Authority until a Liberian staff can be trained. This project is designed to provide the required personnel for a period of five years through a technical assistance grant. Although at the end of this period, it is probable that expatriate personnel will continue to be required to fill the top four or five positions in the organization, it is anticipated the Authority will be, at that time, on a sufficiently firm financial footing to assume this obligation without external assistance.

An alternative solution for this second requirement would be for the Authority to enter directly into a management contract with an experienced telecommunications company. Generally such contracts provide that the managing group receives a percentage of the gross revenues plus a percentage of profits. However, in the case of the telecommunications system, the probability that the system as a whole will suffer sustained losses over the next few years virtually precludes a scheme of profit sharing with a managing group. (This approach should be explored by AID/W with companies which may possibly be interested before final approval of this project).

IV. Planned Targets, Results, Outputs

The anticipated results of this project can be classed as short term and long range objectives. The short term objectives are:

1. To effect maximum utilization of the existing facilities by instituting sound operational and maintenance procedures.
2. To provide for the orderly expansion of the system where such expansion is economically sound.

The long-range objectives are:

1. To institute technical, financial and operational procedures which will put the Authority on a paying basis.
2. To train Liberian in all technical and managerial positions with the view of eventually turning over to them responsibility for the entire operation.

USAID assistance is envisioned for this project for a period of five years. At the end of that period, it is anticipated that sufficient progress will have been made in meeting the short term objectives to allow the Authority to reduce the expatriate management team to approximately five members. At the same time, it is felt that by the end of five years, the Authority's financial position will be sufficiently sound to allow it to assume the burden of all expatriate assistance. It is anticipated that direct expatriate management will be required for approximately eight to ten years after initiation of the project.

This project will be continually reviewed by USAID, the Authority, and the GOL Department of Planning and Economic Affairs to evaluate the Authority's capability to meet its technical, staff and financial requirements.

V. Course of Action

The legislature of the Government of Liberia created the Telecommunications Authority by amending the existing Public Utilities law. The act transfers to the Authority all functions of the government radio and telephone services except for the responsibility for the regulation of operations such as commercial radio and television, private radio systems, and aeronautical systems.

The Act further specifies the composition of the Board of Directors, to be appointed by the President. They include the Postmaster General, as chairman; one member each from the Departments of Treasury, Justice, Planning and Economic Affairs, central office of the Post Office; the incumbent commissioners of radio and telephone services; and two members from commercial enterprises. The Act empowers the Board to contract with a management firm for the operation of the system. However, the Act has not been implemented.

The ten contract personnel contemplated under this project will fill operational positions within the Authority, directly responsible to the Board of Directors. It is proposed that the upper echelon management group, filling the positions described below, be provided as a team through a contractor qualified to provide administrative and technical backstopping. The job descriptions and qualifications for these positions are:

1. The General Manager will be responsible to the Board of Directors for the overall direction and management of the operation of the Authority. He should be a qualified telecommunications engineer with experience in the design, construction, operations, and maintenance of communications systems.

2. The Comptroller will be responsible for planning and control of all financial matters of the Authority, such as collection of revenues, disbursements, and settlement of international accounts. He will also advise on rates and charges for the services provided. He should have extensive operational experience with a utility and should be familiar with accounting systems used by telephone and telegraph companies.

3. The Traffic Manager will be responsible for the quality of services rendered to customers. He will seek to improve traffic operations efficiency, and to improve customer relations and service so as to attract new customers. He will be responsible for the management and control of exchange, telegraph, and telex operating staff. Experience is necessary in telecommunications traffic operations and management.

4. The Plant Operations Engineer will be responsible for the overall operation and maintenance of the radio and telephone systems. He should be a communications engineer with extensive experience in the operation and maintenance of communication systems. He should be capable of engineering and implementing plant changes or additions, as well as planning future extensions. He will develop a supply and logistics support system to ensure spare parts, materials and supplies required for operation and maintenance are available as required. The Plant Operations Engineer will be supported in the above tasks by an Outside Plant Engineer and an Inside Plant Engineer, whose positions are described below.

5. The Training and Personnel Manager will be responsible for organizing and administering an in-service training program. The program will include theory and practices in basic electricity and electronics, as well as lectures and on-the-job training on specific telecommunications equipment utilized in Liberia, such as diesel plants, telephone switching equipment, telephone outside plant, high frequency radio systems, microwave and carrier transmission system, and teleprinter machines for telex. The Training and Personnel Manager also will be responsible for reviewing personnel capabilities and requirements, for preparation of a job classification system for the Authority, and all other personnel matters.

The remaining five positions are more technically oriented than the above and are subordinate in each case to one of the management positions. It is therefore felt that these remaining operational positions should be staffed through an intermediate contractor without benefit of home office backstopping. Although these five positions are projected for the full five-year period of USAID participation, it is possible that expatriate staff for these positions may be phased out prior to that time, depending on the speed which the Liberians are able to assume responsibility for these positions.

The job descriptions for these positions are:

1. The Outside Plant Engineer will assist the Plant Operations Engineer and will be responsible for the operation, maintenance, and engineering on all outside plant telephone installations and facilities.
2. The Inside Plant Engineer will assist the Plant Operation Engineer and will be responsible for operations, maintenance, and engineering on all inside plant telephone installations and facilities.
3. The Radio and Transmission Engineer will assist the Plant Operations Engineer and will be responsible for the operation, maintenance, and engineering on all high frequency radio-telephone and telegraph systems, microwave and carrier transmission systems, diesel plants, navigational aids, and related facilities.
4. Two Training Instructors will be responsible to the Training and Personnel Manager and will conduct the training programs described previously.

A. proposed staffing chart is included as Attachment A.

To implement the training program proposed to be undertaken by the Authority, it is anticipated that approximately \$10,000 per year, or \$50,000 for the life of the project; will be required for equipment, manuals, films, and related materials. A detailed list of the supplies required to supplement the existing equipment will be developed by the management team when training plans and curricula are firm.

The estimated cost and USAID and GOL inputs are as follows:

USAID Contribution

I. Personnel Costs

1. Ten technicians x \$3400/man/mo x 15 mo. = \$510,000
(Requirements Jan. '69 to March 31, 1970)

II. Commodities (Training Supplies) (Project Support Loan) = 10,000/yr

GOL Contribution

I. Personnel Costs

1. Ten technicians @ \$375/man/mo x 12 mo. = 45,000/yr

It should be noted that in the figures presented above, the cost for personnel services is based on USAID experience with contracts of a similar nature. (The cost during the first year (FY 1969) is based on personnel services for a 15 month period.)

The cost for training equipment and supplies is a very rough estimate, and, as stated above, cannot be refined in detailed until the technicians develop the training plans and curricula.

BROWN

11
10

NONCAPITAL PROJECT FUNDING (OBLIGATIONS IN \$000)

Table 1
Page 1 of 1
COUNTRY: Liberia

Project Title: Telecommunications Management

PROP DATE 7/30/68
Original X
Rev. No. _____
Proj. No. 669-11-270-111

Fiscal Years	Ap	L/G	Total	Cont	Personnel Serv.			Part.		Commodities		Other Costs	
					AID	PASA	CONT	US ag	CONT	Dir US Ag	CONT	Dir & US Ag	CONT
Oper. FY 69	TC	G	510	510			373			10*			137
Budg. FY 70	TC	G	408	408			298			10*			110
B + 1 FY 71	TC	G	408	408			298			10*			110
B + 2 FY 72	TC	G	408	408			298			10*			110
B + 3 FY 73	TC	G	306	306			224			10*			82
All Subs.			-	-			-			-			-
Total Life			2040	2040			1491			50*			549

* Project Support Loan (non-add)

UNCLASSIFIED

FOIA b 7E

Monrovia

Telecommunications Authority

Proposed Management

11

11

UNCLASSIFIED

TOAID A- 778

Monrovia

