

Paltel Group

Gaza Directorate

Losses and Damage Report of Paltel Group Infrastructure

*Full losses and Damage report of Paltel Group's
companies in Gaza strip due to Israeli war from Dec
27, 2008 to Jan 18, 2009.*

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Introduction

After twenty three days of war on Gaza, Paltel Group (PG) network, infrastructure, and buildings suffered severe damage. Even though we suffered huge financial losses but all these losses are infinitesimal compared to our irreplaceable losses, five of our dedicated and distinguished employees were killed during the war. Three of them died at Jablia switch when it was bombed on the first day. Our human resources are the most valuable assets we have.

Our estimated damage and financial losses for the whole group due to this offensive were **9,453,652.17 JD** which is equivalent to **13,235,113 US\$**, Paltel losses were around **4.3 million JD** and Jawwal's losses reached almost **5.2 million JD**.

In the following report will outline the damage to PG network. As you well aware this offensive came after seventeen months of full closure and after a long period of internal fighting, all this led to the depletion of strategic reserve of material and equipment. Add to this our main warehouse where the rest of the material and equipment were stored received a direct hit that destroyed the remaining of the inventory –image 1-.



Paltel Group's main warehouse

Damages details

The damages report will be categorized by individual companies and we will use replacement cost to assess the damage's total value:

1. Paltel Telecommunication Co.

- 1.1. Main switches, MSANs, transmission, and Power equipment:

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On the first day of the offensive our main switch in North Gaza received a direct hit which demolished the switch and data equipment at the location completely – image 2-.



1.2. In addition to the destruction of the switch which connects 7700 subscriber the MSAN at Atatra was also completely destroyed. The transmission network which runs on fiber cables was damaged at several locations as follows,

- The fiber link that connected Gaza with MED1 is cut at beit Hanon junctions and other cuts might be found towered Eriz.
- The fiber link that connects Gaza switch and Sheikh Radwan switch is cut at Zemo junction.
- Microwave Link at Gaza main switch that connects Gaza with Hebron.
- The fiber ring is open at Jabalia switch
- Fiber cut at Alsheja'ya area that connects Gaza city with the south.
- Fiber cut at the Airport in Rafah

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- Fiber cut near Abu Yousef Alnajjar hospital in rafah
- Fiber cut at Alnusyrat.

All these cut made the transmission network extremely vulnerable, redundant and back routes were lost.

Location Name	Damaged Equipment	Replacement Cost(JD)	Labor and Civil work Cost	Notes
Jabalia main switch	TMX – 10	812,438.17	200,000.00	For detailed information see Paltel_NS worksheet
Atatra (Gaza 100)	Any Media LAG1900	15,126.83		
Jabalia Transmission	Transmission and Data equipment at the location	39,958.25		
Jabalia power	Power installation & Generator	9,355.35		
Jabalia MDF	Cables & Krone Blocks	13,796.8		
Alaqsa TV	Equipment and Fiber Cables	5,369.94	2,400.00	
Almountada	Equipment	2,096.94		
Nahel OZ	Fiber Cable	2,400.00		
Road #4–Malaka area	Fiber Cable			
Alzahra	Fiber Cable			
Atatra	Fiber Cable			
Salah eldeen St.	Fiber Cable			
Eriz junction	Fiber Cable			
Rafah – Airport area	Fiber Cable			
Sofa	Fiber Cable			
Al-Nasser	Fiber Cable			
Total			900,542.28	202,100.00

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1.3. Data Equipment and Public Phone:

Since most of the governmental and security buildings were destroyed all data equipment were destroyed during the war.

Equipment Type	Quantity	Cost(JD)	Notes
DTU #2801	10	23,000.00	For further details check Paltel_Data worksheet
DTU #2753	14		
DTU #2703	2		
DTU #2603	1		
HDSL modem	1		
Cisco Router 878	7		
Public Phone	24	11,748.44	

1.4. Outside Network:

The outside network suffered the most during this war. Most of our cables are Arial cables; the losses include cables, outside cabinets, wooden poles, manholes and distribution boxes.

District	Material Cost (JD)	Labor and civil work Cost (JD)	Notes
Jabalia	200,137.00	69,000.00	For further details check Paltel_OSP worksheet
Gaza	40,279.00		
Der Albalah	8,817.00		
Khan Younes	12,038.00		
Rafah	34,166.00		
Gaza Directorate buried infrastructure	58,357.143		See Paltel_infra worksheet

1.5. Buildings

Location	Average estimate (JD)	Notes
OSS	2,232.14	For further details check Paltel_Buildings
Switches Buildings	44,697.50	
Warehouse	291,843.52	
HQ and Training Center	553.57	
Total	337,326.73	

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1.6. Warehouse

Damage Type	Average estimate (JD)	Notes
Damaged material	489,605.8	For further details check Paltel_warehouse worksheet
Fixed assets damaged at WH	1,696.00	
Total	491,301.80	

1.7. Revenue Loss

Paltel loss from decreased traffic, damaged homes, disconnected phone lines and disconnected services in certain areas are summarized below.

Type of loss	Amount (ILS)
Fixed Lines in Houses that Fully Damaged	1,916,689
Fixed Lines in Buildings that Partially Damaged	3,067,545
Number of Disconnected Lines Due to Exchanges or MSANs Damages	2,632,170
Number of Disconnected Lines Due to outside network Damages	1,062,346
ARPU Decreases Losses	667,999
Data & Internet Losses	1,251,469
Total Losses	10,598,219

Paltel incurred other revenue losses from the two fiber cuts incidents occurred this month. The first incident happened in 6th of January 2009 from 2pm until 8 m and the second one in the 20th of same month from 2pm until 11pm. The financial loss from these two incidents is shown below.

Call Type	Amount (ILS)
Fiber cut 1	
Fixed to Jawwal	27,614
Transit fees from Jawwal Int incoming	24,366
Fiber cut 2	
Fixed to International	65,283
Fixed to Jawwal	10,514
SFI	7,325
Paltel international incoming Terminate	120,970
Transit fees from Jawwal Int incoming	42,613
Total	298,684

2. Jawwal:

Jawwal's network suffered extensive damages due to the random shelling and bombardment

Green Field tower for Jawwal, the mobile operator – image 3-.



At least eight green field sites were damaged in addition to twelve roof top locations. The attached tables show the damage to the mobile's cells:

Table 1: Labor and civil works damage

Description	Quantity	Total Replacement Cost
Shelter Total	6	281,088
Tower 30m height. Total	2	114,432
Concrete foundation and beams. Total	120	99,120
Tower 42m height. Total	1	93,293
Fence Total	342	60,876
Cow Total	1	50,000
Generator Total	1	50,000
Earthing and cables. Total	9	39,744
Concrete Equipments room. Total	1	35,000
Guard room. Total	2	32,000
Poles 12m Height and 8" Dia. Total	2	27,264
Antenna supports. Total	36	23,544
Other *		124,660
Total Replacement Cost		ILS 1,031,021

* For further details please refer to Jawwal losses report

Table 2: Sites equipment damage

Equipment	Unit	Unit Cost	Total Replacement Cost
RBS 2206 master cabinet	5	37,957	189,785
RBS 2106 Outdoor master cabinet	2	51,964	103,928
RBS 2202 master cabinet	2	15,065	30,130
Antenna K739 685	40	642	25,694
RBS 2102 Outdoor master cabinet	1	15,065	15,065
Traffic Cable 8 Pair in meter	26	530	13,780
MMU traffic connector	9	1,481	13,329
Other *			102,235
Total			JOD 493,946

* For further details please refer to Jawwal Losses report

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Damage of Jawwal headquarters Gaza, two showrooms and two "Ford" cars. Total losses are summarized in the table below:

Location Name	Estimate Cost(ILS)	Notes
OSS Downtown	297,000	See Building_Jawwal for additional details
Oss Rafah	7,700	
HQ building	3,100	
Ford Car	26,500	
Total	334,300	

Jawwal losses from the severe decrease in daily traffic during the war period which resulted from the continuous targeting of its network infrastructure and thus increase dropped and unsuccessful calls was **19,674,304 IL**

Destination	Traffic in min
J - Jawwal	28,786,255
J - Paltel	1,314,375
J - Bezeq	19,269
J - Isr'I MNOs	869,477
J - Int'l	645,470
Total	31,634,847

Jawwal incurred another revenue losses and this time from the two fiber cuts incidents occurred this month. The first incident happened in 6th of January 2009 from 2pm until 8 m and the second one in the 20th of same month from 2pm until 11pm. The financial loss from these two incidents was **1,832,786 ILS** vat excluded (Fiber cut 1 loss was **500,342 ILS** while Fiber cut 2 loss was **1,332,444 ILS**).

Fiber Cut 1	
Destination	Traffic in min
J - Jawwal	381,552
J - Paltel	4,372
J - Bezeq	718
J - Isr'I MNOs	20,953
J - Int'l	58,448
Incoming	206,572
Roaming	7,286
Camel	537
SMS	168,847
MMS	1,092
Total	850,379

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Fiber Cut 2	
Destination	Traffic in min
J - Jawwal	1,760,206
J - Paltel	(19)
J - Bezeq	253
J - Isr'I MNOs	35,333
J - Int'l	58,130
Incoming	509,390
Roaming	6,380
Camel	287
SMS	353,716
MMS	6,326
Total	2,730,001

Jawwal loss from its nine damaged BTSs is beyond the current scheme because it needs an additional months to be able to replace these destroyed sites and so it will lose all traffic and thus revenues generated by these sites in that period. Total losses expected during the recovery period is **3,027,687 ILS** vat excluded.

Destination	Lost Traffic in min
J – Jawwal	3,992,670
J – Paltel	182,305
J - Isr'I MNOs	120,597
J - Bezeq	2,673
J - Int'l	89,527
P – Jawwal	224,674
Isr'I MNOs – Jawwal	219,122
Bezeq – Jawwal	9,913
Int'l - Jawwal	261,521
Total	5,103,000

In conclusion, the attached table summarizes the total loss incurred during the war, all amount are in Jordanian Dinars:

	Paltel	Jawwal
Network	2,051,486.66	678,056.46
Buildings	337,326.73	59,696.43
Revenue Loss	1,945,875.71	4,381,210.18
Total Per Company	4,334,689.10	5,118,963.07
Total for the Group	9,453,652.17	