

International Civil Aviation Organization

ICAO

Tenth Meeting of the Common aeRonautical Virtual Private Network Operations Group (CRV OG/10)

Video Teleconference, 18 April 2022

- Agenda Item 2:** CRV contract management
– Upgrade/Downgrade CRV Circuits Subscribed

UPGRADE/DOWNGRADE/ADDITION OF NEW SERVICES OR SITES IN CRV CONTRACT

(Presented by the Secretariat)

SUMMARY

This paper presents the relevant outcomes of the first Meeting of the ICAO CRV Steering Group for the discussion to upgrade/downgrade/addition of new services or sites into current CRV contract.

1. INTRODUCTION

1.1 The Ninth Meeting of the Common aeRonautical Virtual Private Network Operations Group of APANPIRG (CRV OG/9) was held from 25 to 27 January 2022 via video tele-conference. The meeting was attended by **119** participants from **21** Member States/Administration, **1** International Organizations, and **1** Industry. CRV OG/9 meeting report, working papers, information papers, and other resources can be accessed by following link:

<https://www.icao.int/APAC/Meetings/Pages/2022-CRV-OG-9.aspx>

1.2 The meeting created an ad-hoc group named as **ICAO CRV Steering Group** comprised of Fiji, India, Japan, Singapore, New Zealand, USA, PCCWG, and ICAO Secretariat to devise the terms and conditions for addition of new services, for upgrade/downgrade of packages along with addition of new sites by contracted states into their contract. **ACTION ITEM 9-3**

1.3 This paper summarized relevant information and updates for the action taken for **ACTION ITEM 9-3**.

2. DISCUSSION

2.1 During the CRV OG/8 meeting held on 17 to 19 May 2021, under the Agenda Item 5: *CRV operational performance report*, Bhutan put forward some problems being faced by Bhutan related to CRV post implementation.

Agenda Item 2

18/04/22

2.2 Bhutan entered into contract for CRV with PCCWG in December 2020. However, Bhutan was not able to utilize the CRV since the peer States with Bhutan (India and Thailand) were in the process to join CRV while Bhutan has to pay recurring charges every month to PCCWG. Bhutan requested the ICAO APAC Regional Office and CRV OG to help in negotiating with PCCWG to waive or reduce recurring charge till the peer States (India and Thailand) are ready or to explore alternate solutions such as connection through Hong Kong, China, or any other States hosting BBIS, which have joined CRV, in order to utilize CRV for AMHS traffic for the intended purpose.

2.3 After the CRV OG/8 meeting, as the follow up action, an ad-hoc group was established to discuss a way out for Bhutan to use its CRV service to some extent temporarily.

2.4 The Ad-hoc group reviewed the issue faced by Bhutan and discussed the **two alternate solutions** to resolve this issue. The first solution was to have a negotiation initiated by Bhutan with PCCWG by providing reference to WP/13 and IP/11 of CRV OG/8 presented by Fiji, which proposed a potential solution to **downgrade the CRV Package as Option-1**. As an alternate solution, it was proposed by Ad-hoc group that *New Zealand may act as a gateway between Bhutan and the existing AMHS services* named as Option-2. In option-2, there may be six Countries who need to change the routing table: Bhutan, India, Thailand, Singapore, Australia, and New Zealand. The Airways New Zealand volunteered to act as a BBIS and started the conversation internally and submitted technical requirements.

2.5 After this Ad-hoc group meeting, Bhutan informed ICAO APAC Office by email dated on 7th June 2021 that PCCWG has not agreed to downgrade CRV Package C to Package D.

2.6 The issue was discussed in ACSICG/8 held from 21-23 June 2021 by VTC by WP/04. Australia, India, Singapore, and USA requested ICAO Secretariat to take necessary action to discuss this issue with CRV OG as States should have option to upgrade/downgrade the circuits based on the need, which was recorded as **ACTION ITEM 8-3**.

2.7 WP/09 was presented by PCCWG in CRV OG/9 on the matter which proposed termination charges for States as well as mandate of five years terms in case of upgrade/downgrade/addition of new services or site. Moreover, in case of less than 5 years contract for upgrade/downgrade/addition of new services or site, increased rates were presented.

2.8 The meeting did not agree to the proposal and created an ad-hoc group named as **ICAO CRV Steering Group** comprised of *Fiji, India, Japan, Singapore, New Zealand, USA, PCCWG, and ICAO Secretariat* to devise the terms and conditions for addition of new services, upgrade/downgrade of packages along with addition of new sites by contracted states into their contract. **ACTION ITEM 9-3**

2.9 The first meeting of ICAO CRV Steering Group was held on **31 March 2022**. The meeting discussed the need of CRV contract extension based on the response for the survey, the difference between service order and CRV contract, and sample calculation of anticipated losses for States and PCCWG.

2.10 PCCWG shared the revised proposal for upgrade/downgrade/addition of new sites and services with reasonable pre-estimate of the anticipated losses suffered by PCCW Global. The proposal is being presented by PCCWG in this meeting.

2.11 The revised proposal **withdraw cancellation charges and mandate of five years term** for each **upgrade** case and **addition of new sites/services**. Therefore, Member States may

upgrade or add new sites or services in their contract without any additional charges or additional terms on the same rate.

2.12 The revised proposal recommended to calculate **pre-estimate of the anticipated losses** suffered by PCCW Global by a proposed formula in case of **downgrade** and proposed to share the anticipated losses between PCCWG and States equally. Additionally, the mandate of five years terms for downgrade cases was withdrawn. Therefore, Member States may downgrade the current package in their contract with additional charges of 50% of **the anticipated losses** but without additional terms on the same rate.

2.13 It is to be noted that the above proposals are applicable only for initial 5 years terms. After initial 5 years terms, Member States can renew the contract yearly and choose different package each year till expiry of CRV contract i.e. 31 December 2027.

2.14 The proposal was accepted by all members of CRV Steering group for submission to CRV OG/10 deliberation and agreement.

2.15 After the agreement of the proposal by the meeting, the ICAO CRV Steering group will work on which documents of CRV common packages require modifications to accommodate the modified clauses and will draft relevant clauses to add to the Terms and conditions and other documents of the CRV contract for consideration of CRV OG/11 to be held in January 2023. However, the proposal would be applicable from the date of acceptance by CRV OG/10.

3. ACTION BY THE MEETING

3.1 The meeting is invited to:

- a) note the action taken for ACTION ITEM 9-3 of CRV OG/9;
- b) review the proposal submitted by PCCWG for upgrade/downgrade/addition of new services or site into current CRV Contract;
- c) endorse the proposal to work further for revision of relevant documentation of CRV common package; and
- d) discuss any relevant matters as appropriate.
