



ICAO

International Civil Aviation Organization

Eleventh Meeting of the Common aeRonautical Virtual Private Network Operations Group (CRV OG/11)

Bangkok, Thailand, 01-03 February 2023

- Agenda Item 6: CRV contract management
- Upgrade/Downgrade CRV Circuits Subscribed
 - Addition of New Sites and Services

UPGRADE/DOWNGRADE OF CRV CIRCUITS SUBSCRIBED AND ADDITION OF NEW SITES AND SERVICES IN THE CRV CONTRACT

(Presented by the Secretariat)

SUMMARY

The paper summarizes the outcomes of discussion of ICAO CRV Steering Group formed in the CRV OG/9 to devise the terms and conditions for the addition of new services, upgrade/downgrade of packages along with the addition of new sites by the CRV contracted states into their 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 teleconference. The meeting was attended by **119** participants from **21** Member States/Administrations, **1** International Organization, and **1** Industry. The CRV OG/9 meeting report, working papers, information papers, and other resources can be accessed by the 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 the ICAO Secretariat to devise the terms and conditions for the addition of new services, upgrade/downgrade of CRV packages, along with the addition of new sites by the CRV contracted states into their contract. **ACTION ITEM 9-3**

1.3 The paper presents a further discussion on this matter with the latest status of work done by CRV OG Experts Ad-hoc group and ICAO CRV Steering Group on this subject.

2. DISCUSSION

2.1. In the first meeting of ICAO CRV Steering Group held on **31 March 2022**, PCCWG shared the revised proposal for upgrade/downgrade/addition of new sites and services with a reasonable pre-estimate of the anticipated losses suffered by PCCW Global. PCCWG also presented the proposal as SP/01 in ACSICG/9 held from 19-21 April 2022.

Agenda Item 6

01-03/02/23

2.2. The revised proposal withdrew cancellation charges and 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 additional charges or term at the same rate. The revised proposal recommended calculating a pre-estimate of the anticipated losses suffered by PCCW Global by a proposed formula in case of a 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 term at the same rate.

2.3. It is to be noted that the above proposals were applicable only for initial five years term. After the initial five years term, Member States can renew the contract yearly and choose a different package each year till the expiry of the CRV contract.

2.4. The proposal was accepted by all members of the CRV Steering group and submitted to **the CRV OG/10 held on 18 April 2022**. The CRV OG/10 meeting deliberated, reviewed, and endorsed the proposal to work further on revising **relevant documentation of the CRV common package**. The CRV OG Chair (Asia) appreciated the support and contribution of ICAO CRV Steering Group members for presenting a pragmatic solution to the meeting.

2.5. The ICAO Secretariat informed that the next ICAO CRV Steering group meeting would review and discuss the phrasings of revised terms and conditions prepared by PCCWG. The revised common package would be presented to CRV OG/11 for endorsement and approval. However, the submitted proposal was applicable immediately after the endorsement by CRV OG/10 and ACSICG/9.

2.6. Further meetings of the CRV OG Ad Hoc Experts Group to progress sections of the CRV Operations Manual formed in CRV OG/8 and the ICAO CRV Steering group formed in CRV OG/9 were merged due to many mutual CRV experts and additional burden on them due to multiple meetings.

2.7. Additional joint meetings were held on 15 September 2022 and 16 December 2022. As an outcome of both meetings, relevant Clauses for upgrade/downgrade/addition of new services or sites were finalized and being presented to the meeting in **Appendix A** as the Addendum to the Terms And Conditions between PCCW Global and CRV Authority for adoption. The list of documents to be updated in CRV Common Packages after the endorsement of relevant clauses by CRV OG/11 would be:

- 1) Addendum to Terms And Conditions between PCCW Global and CRV Authority v3
- 2) High-Level Individual Site Questionnaire v2.2
- 3) PCCWG_System Design Document v4.6
- 4) Service Order Form (v2)
- 5) CRV Operations Manual

3. ACTION BY THE MEETING

3.1. The meeting is invited to:

- a) note the information contained in this paper;
- b) review, endorse, and approve the Addendum to Terms And Conditions between PCCW Global and CRV Authority; and

- c) discuss any matters as appropriate.

ADDEMDUM TO TERMS AND CONDITIONS BETWEEN PCCW GLOBAL AND CRV AUTHORITY

This Addendum is incorporated into and forms part of:

- (a) Terms and Conditions between PCCW Global and CRV Authority (the “**Customer**” or “**Authority**”); and
- (b) Order Form between PCCW Global and the Authority for the relevant Service (including the terms and conditions thereof and the relevant documents listed therein)

(collectively the “**Agreement**”).

1. Unless otherwise provided herein, all terms used herein and not otherwise defined shall have the meaning ascribed to them under the Agreement. In the event of any conflict among the documents, the conflict will be resolved in the following order of precedence: this Addendum, the Order Form, the Specific Terms relevant to that Service, and the Terms and Conditions.
2. The Parties agree to add the following clauses into the Agreement:
 - 2.1 The Authority may, at any time during the term, upgrade the Service by giving prior written notice to PCCW Global and without any penalty or cancellation charges for the existing Service package in the same location, provided that (i) the upgraded Service with new monthly recurring fee shall have a minimum term of twelve (12) months from the effective date of the Service upgrade, irrespective of the original expiry date of the pre-upgraded Service; (ii) the one time upgrade fee is subject to feasibility study; and (iii) any upgrade involving change of installation location is subject to feasibility study and separate commercial agreement between the Parties.
 - 2.2 The Authority may, at any time during the term, reduce the bandwidth capacity in the same Service package in the same location, by giving prior written notice to PCCW Global and without any penalty charges for the existing Service package, provided that (i) the downgraded Service with new monthly recurring fee shall have a minimum term of twelve (12) months from the effective date of the Service downgrade, irrespective of the original expiry date of the pre-downgraded Service; (ii) the one time downgrade fee is subject to feasibility study; and (iii) any downgrade of bandwidth capacity in the same Service package involving change of installation location is subject to feasibility study and separate commercial agreement between the Parties.

If the Authority decides to **downgrade the Service package** in the **same location** during the term of the relevant Service, the Authority shall notify PCCW Global in writing and pay a package downgrade fee calculated as below:

Downgrade Fee Calculation Formula

$$50\% \times (\text{MRC under original Service package} - \text{MRC under new Service package}) \times \text{remaining term of the original Service Package}$$

Any downgrade of the Service package involving change of installation location is subject to feasibility study and separate commercial agreement between the Parties.

- 2.3 The Authority may, at any time during the term, add a new site in the same Service package by giving prior written notice to PCCW Global and without any penalty charges for the existing Service package, provided that (i) the term of the Service and the new monthly recurring fee for the new site shall be valid for the remaining term of and be co-terminus with the original Service package; (ii) the Authority shall pay the one time installation fee for the new site; and (iii) the commercial details relating to the new site (including but not limited to the one time installation fee and the monthly fee) are subject to feasibility study and separate commercial agreement between the Parties.
3. Save as provided herein, the Agreement remains valid and binding on PCCW Global and Authority.