

2. Situation of cost-sharing contributions

2.1 In **Chart # 1**, the situation of the deposit of contributions by the States participating in project RLA/03/901 is being presented. It can be observed that, at the present moment, only 62% of the contributions has been received, being necessary to receive at earliest possible the other deposits in order to not affect the project activities.

Chart # 1
Situation of the cost-sharing contributions deposits
Project RLA/03/901 SAM REDDIG Management

State	2003 (thousand USD)	
	Quota	Amount deposited
Argentina	50,4	50,4
Bolivia	39,6	
Brazil	123,8	123,8
Chile	40,0	40,0
Colombia	49,8	
Ecuador	40,9	40,9
France	34,8	
Guyana	34,3	
Paraguay	35,4	42,6
Peru	49,6	
Suriname	34,3	
Uruguay	47,5	47,5
Venezuela	44,2	44,2
Total	624,5	389,3

3. Rental of the satellite segment with PanAmSat

3.1 The contract for the rental of the satellite services contains a provision of indemnification to which the contractor (i.e. ICAO) is committed, as responsible for any obligation generated *inter-alias* of the improper use of the network, such as to infringe author rights, transmission of libelous, indecent or obscene messages, etc.

3.2 ICAO acts in the contract with PanAmSat as intermediary to facilitate and in representation of the REDDIG contracting States; therefore, relevant responsibilities in the above context are naturally conferred to the final users of the REDDIG, i.e. the contracting States.

3.3 In this regard, ICAO requested the States, through State Letter Ref. SA6029 dated 7 October 2003 (**See Appendix A**), to sign a form to indemnify and to maintain ICAO immune against all complaints and responsibilities generated of, or in relation to, the use of the facilities to be provided by PanAmSat to the States beneficiaries of the REDDIG Project.

3.4 In order to not interrupting the REDDIG services, ICAO proceeded to extend the above contract with PanAmSat for a period of three months, up to December 2003, while the States forward the form duly completed to permit ICAO subscribing the contract for five years.

3.5 At the present moment, only the replies from Colombia, Ecuador and Venezuela are pending.

4. Transfer of the NCC from Lima to Manaus

4.1 During the RCC/3 meeting (Conclusion RCC 3/3), it was agreed that the principal network control center of the REDDIG would be located in Manaus and, al alternate, in the Buenos Aires. To transfer the NCC from Lima to Manaus, the RCC/3 meeting studies the proposal provided by the contractor, which cost in that moment was of approximately US\$ 115,000. The meeting considered that this cost was high and that project RLA/98/019 should consider alternatives to reduce the cost of this transference, and, in this regard, the meeting formulated Conclusion RCC 3/4.

4.2 Despite negotiation carried out by the Project, the contractor has not accepted to lower its costs, Furthermore, the last quotation presented by SEEE, which is being submitted in **Appendix B** to this working paper, results to be higher than the cost informed in the RCC/3, indicating that the cost presented to that meeting was an approximate cost.

4.2 The Project is still negotiation with SEEE, and it is analyzing alternatives to carry out this transfer at a lower cost.

5. Administrative support to the project

5.1 Project RLA/03/901 was conceived considering the assignment of the Network Administrator since its initiation in Manaus. However, and meanwhile a satisfactory solution be found for the transfer of the NCC from Lima to Manaus, the assignment of the Administrator based in Lima will be required.

5.2 In the transition period of project RLA/98/019 to RLA/03/901, as well as during the present period of the network stabilization and of the implementation of procedures to support the States, a series of administrative co ordinations are required, which demand important bulk of secretarial support. This

support could be financed with resources of project RLA/03/901 without requiring an increment in the quotas of the member States' contributions.

5.3 Working paper WP/07 contains a revision of the project budget for the consideration of the meeting, including the adjustment that has to be done due to the non-participation of Colombia, including budgetary provisions for administrative support (BL 13).

6. Suggested action

6.1 The meeting is invited to:

- a) Take note of the information presented in this working paper about the initial activities of project RLA/03/901.
- b) Request the States to take the necessary steps to deposit on due time their cost-sharing contributions in order to be able to not affect project activities.
- c) Request the States which have not sent yet their replies to State Letter SA6029 (**Appendix A**), to please respond as soon as possible, in order to permit ICAO to subscribe the contract of the satellite segment lease for five years.

- end -

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U R G E N T

SA6029 **Mr. Jean-Marc Sansovini, DRAC Martinique, France**
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Subject: RLA/03/901 – Contract extension for satellite segment lease with PanAmSat

Reference is made to the Contract that has been negotiated by ICAO and should be signed with PanAmSat for the lease of a Satellite Space Segment for the implementation of the SAM Digital Network (REDDIG).

In this regard, the ICAO Technical Cooperation Bureau in Montreal has informed us that the Contract for the lease of satellite services contains a provision on indemnification, which holds the Contractor (i. e. ICAO) responsible for any liability arising *inter-alias* out of an improper use of the network such as infringement of copyright, transmission of libelous, indecent or obscene messages etc. It is worth to point out that his clause is included in all contracts proposed by companies that supply satellite services.

As ICAO acts in the PanAmSat Contract only as a facilitator and on behalf of REDDIG Contracting States, the relevant responsibilities in the above context are vested with the end-users of the REDDIG network, i.e. the Contracting States.

The Contract with PanAmSat that ended on 30 September 2003 was signed by ICAO on behalf of the participant States, however, and in order for ICAO to sign any further extension/renewal of the Contract with PanAmSat, your concurrence to the provision presented above is necessary.

Based on the above understanding, and for the sole purpose of facilitating the continued availability of the REDDIG network, ICAO has proceeded to extend the above-mentioned contract with PanAmSat for a three-month period up to 31 December 2003, for which all the REDDIG users should sign and forward the attached form.

You are therefore kindly requested to urgently sign and return to ICAO the attached form, ***not later than 23 October 2003***, so that ICAO can proceed with the signature of the new Contract with PanAmSat.

Sincerely yours,

Original signed by
José Miguel Ceppi
Regional Director

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Ref.: RLA/03/901 "SAM REDDIG Management Project", PR039004

In performing the purchasing services for the extension of the lease of the satellite space segment from PanAmSat for implementation of the SAM Region Digital Network (REDDIG project), ICAO acts solely for and/or on behalf of the _____ of _____
(Administration) (Country)

and this administration agrees to indemnify and hold harmless ICAO from all claims and liabilities arising out of, or in relation to, the use of the facilities provided by PanAmSat to beneficiary States under the REDDIG Project.

For the: _____
(Administration)

Signature:

Name: _____

Title: _____

Date: _____