



International Civil Aviation Organization

THIRD MEETING OF THE COMMON REGIONAL VIRTUAL PRIVATE NETWORK TASK FORCE (VPN) OF APANPIRG (CRV TF/3)

Bangkok, Thailand, 09 – 12 December 2014

Agenda Item 2: Review of outcomes of relevant meetings

OUTCOME OF THE APANPIRG/25 AND DGCA CONF/51 ON THE COMMON REGIONAL VIRTUAL PRIVATE NETWORK (VPN) - CRV

(Presented by the Secretariat)

SUMMARY

This paper presents the outcome of the APANPIRG/25 and DGCA/51 on the CRV project since CRV TF/2 meeting. The report of CRV TF/2 meeting was also reviewed the ACSICG/1 meeting held in May 2014 and CNS SG/18 meeting held in July 2014.

1. INTRODUCTION

1.1 The Twelfth Air Navigation Conference (AN-Conf/12) held in Montréal in November 2012 made a Recommendation 1/6 on Data communications issues:

That ICAO:

- a) *organize a multidisciplinary review of air traffic control communication requirements and issues; and*
- b) *review the operation, management and modernization of a regional digital network technical cooperation project and other similar regional experiences with the aim that this efficient practice can be adapted for use in other ICAO regions;*

That States:

- c) *explore multi-modal solutions when appropriate to overcome transition issues; and*
- d) *anticipate and accelerate the migration of air traffic management communication systems towards more efficient technologies to timely service the aviation system block upgrade modules.*

1.2 The Asia/Pacific Air Navigation Planning and Implementation Regional Group (APANPIRG) 25th Meeting held in September 2014 in Malaysia reviewed the progress made by the CRV TF, ACSICG and CNS SG of APANPIRG and adopted the Conclusion APANPIRG 25/27 – *AN-Conf/12 Recommendations* as a follow-up. Concerning the Recommendation 1/6 specifically, the CRV initiative is the APAC Response to that recommendation.

1.3 CRV is the common regional virtual private network that will be established end 2016 to exchange all aeronautical information in APAC region and with other ICAO regions in compliance with necessary functional, performance, safety and security requirements.

1.4 The APAC DGCA Conf/51 held in end of November 2014 in Hong Kong China also noted the progress made on CRV Project and 8 States/Administrations signed the MSA before and during the Conference.

1.5 The meeting report of CRV TF/2 meeting was also reviewed and endorsed by the ACSICG/1 meeting held in May 2014 in Seoul, Republic of Korea and also noted by CNS SG/18 held in July 2014 at ICAO RSO in Beijing, China. Some recommendation and draft Conclusions developed by Task Force were further updated and endorsed by the CNS Sub-group of APANPIRG.

2. DISCUSSION

2.1 APANPIRG/25 adopted the first iteration of the CRV cost benefit analysis. The result of the survey conducted by ICAO Regional Office in Q1 2014 and Cost Benefit analysis performed by the CRV Task Force indicated that the total estimated cost of CRV services over a period of 10 years (CRV lifecycle from 2017 to 2026) was expected to be 23% less than the status quo, assuming the same number of 15 States/Administrations in the two scenarios. The current cost of ground international communications in APAC for the 15 States/Administrations having replied to the ICAO survey was of USD 5 million per year. The initial one-off CRV deployment efforts would be paid back in two years.

2.2 The second result was that the implementation of CRV only would make it possible to meet the GANP 4th edition ASBU expectations. Doing nothing would impair major achievements such as facilitating B0-NOPS (network operations), B0-FICE, VoIP (voice over IP) and enabling SWIM (System Wide Information Management) ASBU blocks.

2.3 Implementing CRV would also allow solving some of the recurrent communications issues in the APAC Region in the mid-term. In view of the foregoing, the APANPIRG/25 adopted the following Conclusion:

***Conclusion APANPIRG 25/31 – CRV (Common Regional VPN Task Force)
Cost Benefit Analysis***

That, the 1st iteration of the CRV Cost Benefit analysis provided in APANPIRG/25/WP09 Appendix J be adopted and distributed to States/Administrations for their reference.

2.4 In the light of the favorable Cost Benefit for CRV operations and maturity of the concept of operations, the APANPIRG/25 meeting amended and adopted the following conclusion:

Conclusion APANPIRG 25/34 – Aeronautical Common Regional Virtual (CRV) private network in APAC stage I

That,

- a) *Considering the number of States/Administrations (Australia, Fiji, France, Hong Kong China, India, Japan, Macao China, Malaysia, New Zealand, Philippines, Singapore, Thailand, and USA) that expressed interest to date (10 September 2014) to be Pioneer Parties and sign the MSA;*
- b) *Considering the favorable Cost Benefit for CRV operations as a major enabler for achieving GANP 4th edition roadmap;*
 - i) *The Management Service Agreement (MSA) provided in APANPIRG/25/WP09, flimsy 1, Appendix B be adopted, pending some finer adjustments;*
 - ii) *States/Administrations in APAC Region which have not expressed interest be urged to become Pioneer Parties before 14 November 2014 or join for Stage 2;*
 - iii) *States/Administrations sign the MSA before 15 December 2014 and transfer the necessary funds to ICAO TCB for its services before 31 January 2015;*
 - iv) *CRV Pioneer States be recommended to plan a provisional budget of USD20,000 with the view of funding on an equal basis the cost of TCB services in Stage 1 of the CRV project.*

2.5 CRV Management Service Agreement (MSA)

2.5.1 The Management Service Agreement (MSA) is now finalized, addressing the comments from States raised during the official consultation of States/Administrations in June/July 2014 and further circulations of amended versions to the CRV Task Force participants since then.

2.5.2 While 17 States/Administrations have expressed interest to date, including 4 States since APANPIRG/25 meeting, and one State having already signed, the CRV services are bound to be the foundation of all aeronautical exchanges in the APAC Region and with other ICAO regions. This is the reason why the largest number of States/Administrations should join the initiative now.

2.5.3 To join the CRV initiative at stage 1 and not wait for stage 2 (operations) offers the benefit to participate in the definition of the common provisions, the selection of the service provider and the discussion of prices. The decision to join for stage 1 (procurement) is made through the signing of the MSA and has to take place before 15 December 2014.

2.5.4 A signing ceremony was held during the 51st DGCA APAC Conference, at which ICAO Secretary General and representative from CAA or ANPS from Australia, Hong Kong China, Japan, Myanmar, Singapore and the Philippines signed the MSA. Before the DGCA Conf/51, France and Macao China had signed the MSA. Now, 8 States/Administration signed the MSA for the first phase of the CRV Project.

2.6 Payment of the Stage 1 CRV project cost

2.6.1 Signing the MSA means a commitment to transfer the relevant funds to ICAO TCB before 31 January 2015. Not doing so would have a major negative impact on the other participating partner States/Administrations/Entities i.e., 1) to delay the start of the TCB services and therefore delay the implementation of the CRV network, and 2) to force other partners to fund an extra participation as the individual share for the other parties would increase.

2.6.2 The total estimated cost of the assistance to the procurement for the Sealed Tender process is USD109,300. Through the conclusion APANPIRG 25/34 it was decided to share this cost equally between the Participating States/Administrations. The payment of the individual share will be requested by a payment request sent out to the signatories by the ICAO APAC Regional Office immediately after the cut-off date of 15 December 2014. The individual share would be calculated as follows:

Number of Pioneer States/Administrations	Individual share (USD)
13	\$8,407.69
14	\$7,807.14
15	\$7,286.67
16	\$6,831.25
17	\$6,429.41
Xx	Xxx (USD109,300 divided number of States/Adm.)

2.6.3 While the individual share depends on the number of States/Administrations having signed the MSA, the APANPIRG/25 meeting has recommended to plan a fixed budget of USD20,000 per State/Administration. This may be used to cover unexpected events (withdrawal of a party, unsuccessful bidding, unexpected difficulty in the procurement process, etc) and/or future needs, under the control of the participating parties.

2.7 Next steps

2.7.1 It is expected that CRV operations (Stage 2) will start by the end of 2016. At that time, individual contracts would be concluded by States/Administrations or ANSPs directly with the selected communication service provider, based on common provisions resulting from the Stage 1 Sealed Tender process. All parties (pioneers and new parties) will have to sign the Document of Agreement (DOA) (a multinational agreement) and comply with the common provisions of the procurement before initiating an individual contract with the selected Communication Service Provider. An Oversight Operations Group (OOG) is envisaged to oversee the performance of the selected provider.

2.7.2 To operate the CRV service which is a multinational service as per ICAO Doc 9673 and establish the OOG, a draft DOA has been drafted and initial considerations defined as to the OOGs role, responsibilities, and staffing and will be finalized along with an implementation plan by the CRV Task Force.

2.7.3 There have been some valuable lessons learnt from CRV project stage 1 particularly during the process of finalizing the Management Service Agreement leading to its signature. The formal consultation with States/Administrations in June/July 2014 by ICAO plus a second consultation process iteration from August 2014 using CRV Task Force participants as internal

coordinators indicated that while it was transparent, it was not efficient enough. To improve the process, it is proposed **that States/Administrations include/nominate in addition to their technical expert a focal point coordinator from the legal department of the signing entity to participate in the drafting of the Stage 2 Document of Agreement by the CRV Task Force.** This would facilitate an efficient establishment and signing of the Document of Agreement for CRV operations.

2.7.4 This DOA would pursue 2 objectives:

- Empower and rule the Oversight Operations Group (OOG); and
- Establish the common provisions resulting from the Sealed Tender Process as the contractual foundation for the procurement of CRV services by any stakeholder.

3. ACTION BY THE MEETING

3.1 The meeting is invited to :

- a) note the information contained in this paper;
- b) discuss any issues and take follow up actions if necessary.
