

## **Brief overview of the contract documents**

The Preparatory Commission negotiations team has concluded its negotiations with SITA for the establishment and operation of the International Rail Registry. Please find attached the set of documents reflecting the results of these negotiations. It is now for the Preparatory Commission member to review these documents and to decide whether they should be approved.

There are two draft contracts attached and each of them has a set of its own attachments. The first contract is between the Preparatory Commission and the registry service provider (the "Registrar"). It provides for the establishment and operation of the International Rail Registry. The second contract is between the Registrar and SITA. While the second contract and its attachments are in fact Attachment VI to the first contract, because of its size it is separately set out. The reason for a second contract is that SITA has approached the construction of the International Registry as a two part structure. The actual duties of the International Registry will be carried out by the Registrar (which is a special purpose company owned by SITA) while most of the establishment and on-going technical support will be separately provided by other companies in the SITA group. The second contract is being submitted for approval now because Clause 10 of the first contract calls for such approval and because this second contract needs to be executed now in order for work on the Registry to get underway.

The costs incurred by SITA shall be recouped through monthly payments from the Registrar which will be collecting various fees from users of the system. These monthly payments are set out in Attachment III, paragraph 5 to the Preparatory Commission/Registrar contract. For information purposes, Attachment III also sets out SITA's breakdown of the estimated costs that will be incurred in setting up and running the International Registry.

In both contracts' attachments there are schedules setting out dates by which various steps in the build of the International Registry are to be accomplished. It should be pointed out that because the signature date of these contracts is not yet set (being subject to when and if the Preparatory Commission approves the contract documents) it was decided that the dates found here would not be updated until just prior to signature.

Throughout the negotiations there has been a concern that any gap in the provision of International Registry services could jeopardize the operation of the International Registry. Therefore, this Contract contains a number of provisions geared toward ensuring that the International Registry will continue to operate if the Contractor is no longer able to do so. The remaining two documents in this package are designed to help address this possible problem, specifically dealing with the need to substitute the Registrar with a new service provider. The first of these is the Software Security Agreement which is to be executed between the Registrar, the Preparatory Commission and SITA. The purpose of this Agreement is to secure the provision to a new registry service provider of a limited license to the software needed for the operation of the International Registry. The second document is the Deed of Business Continuity which will also be executed between the Registrar, the Supervisory Authority and SITA. Again, where it is necessary to replace the Registrar, this document provides that a new registry service provider will be substituted for the Registrar in the Registrar-SITA contract and that contract will continue to operate in full force and effect, thus ensuring that SITA's services in respect of the establishment and on-going technical support will continue to flow to the new Registrar.

Peter Bloch  
Mervi Kaikkonen  
(Co-Chairs of the Rail Preparatory Commission)