

EXEC102 89
revision of EXEC86 89
revision of EXEC42 89

EARN EXECUTIVE

Proposed revision of 1990 budget

issued by
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June 6, 1989

This is the result of the budget discussions and decisions made during the last BoD meeting in Heraklion at the beginning of this month. (BoD agenda item 21.7.2 and 21.7.4).

The EXEC was instructed to revise the budget by removing the second transatlantic line and to adapt the contingency fund accordingly. Also, explanations of the benefits of the main budget items were requested.

The document below is the EXEC answer to your request.

It also includes the countries' contributions derived from this revised budget and from the adopted funding model.

Formally, the budget will be presented for ratification at the October meeting, but any questions or reservations should be put forward as soon as possible.

According to the BoD agreements, we kindly ask you to confirm before August 1st that you will be able to secure your country's contribution for 1990.

1990 PROPOSED EARN BUDGET		Expenses
Income	June 89 update	KECUS
PRESIDENT OFFICE		
1.1	*(1) Salaries (Secretary)	15
1.2	Travels	25
TOTAL :		40
EARN OFFICE		
2.1.1	Salaries /Manager	75
2.1.2	Secretary	30
2.2	Travels	20
2.3	Telephone	8
2.4	Space rental	8
2.99	Miscellaneous	8
TOTAL :		149
EARN STAFF		
3.1	Salaries (4 people)	200
3.2	Travels	40
3.99	Miscellaneous	8

	TOTAL :		248

4.	OTHER EXPENSES		
4.7	RARE fee	1	
4.2	Travels		
4.2.1	EXEC meetings	31	
4.2.2	Other travels	32	
4.8	Printing	20	
4.9	Auditing	4	

	TOTAL :		88

5.	EARN INTERCONTINENTAL LINES		
5.6	Line MOP-CUNY	115	

6.	DEVELOPMENT		
6.6	X.25 Backbone (1 year)	200	
6.10	Collaboration with COSINE	500	
6.11	Other developments' expenses	50	

			750

7.	CONTINGENCY FUND (1990)		150

8.6	INTERNATIONAL COUNTRIES LINES	1283
9.21	Countries' contributions	840
9.22	International countries lines	1283
9.23	DEC contribution	133
9.26	COSINE contribution (OSI Migration	500
9.25	Countries' backbones compensation	67
	T O T A L B U D G E T	2823

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*(1) 50% of secretary's salary to be paid by UNI-C

APPENDIX TO THE 1990 REVISED BUDGET (JUNE 89 UPDATE)
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1. Changes from BoD decisions during the last BoD.

1.1 Cancellation of the 2nd US line

- in 1989, thus saving 58 KECU
- in 1990, thus saving 115 KECU
- reduction of 1990 contingency fund contribution from 200 to 150 KECU because of the 58 KECU increase in 1989 contingency fund contribution.

1.2 According to the agreed principles for future distribution of EARN costs, the backbone countries will contribute the difference between their present 9.6 kbps lines and the 64 kbps lines. This means that DEC funds will more than cover the planned upgrades (in fact, only 133 Kecus will be spent in 1990, keeping 44 KECUs for 1991) and that the 23 KECU EARN central contribution in the previous budget will not be needed.

In 1990, the countries' contributions will decrease as follows :

- 50 KECU (contingency)
- 115 KECU (cancellation of 2nd US line)
- 23 KECU (backbone countries' contributions)

188 KECU (Total decrease)

The countries' contributions will therefore reach 840 KECU (1028 - 188)

2. Notes to the budget sections.

2.1 Budget items 1 (President office), 2 (EARN office), 4 (Other central expenses), 5 (Intercontinental lines) represent the basic needs for co-ordination on which EARN is built.

2.2 Budget item 3 (EARN staff) :

In 1988, the BoD decided that EARN needed to have the full responsibility of its own tools instead of relying on 'volunteers'; to achieve that, it either had to hire its own staff or subcontract tasks. This is what EARN did in 1989.

Most of the staff works on operation of present services, i.e. tables maintenance, on tools like GENROUTS and LISTSERV as well as operations monitoring and statistics collection.

In addition, one staff member is assigned to the OSI project aimed at enabling us to run NJE over X.25.

The plan for 1990 is to continue these activities.

2.3 Budget item 6 (Development) :

The OSI migration costs are covered by the DEC grant and the compensation from countries on the backbone. 50 KECU are budgeted for other development work since it is considered critical that EARN works on new applications.

2.4 Budget item 7 (Contingency fund) :

A build up of the contingency fund is needed to make EARN able to meet contractual obligations even in case of late payments from countries or other fluctuations in income or expenses.

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1990 CONTRIBUTIONS FOR COUNTRIES TO EARN
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	Volume dependent costs GNP Keys	Volume independent costs EARN Keys	TOTAL
1.AUSTRIA	12 949	11 357	24 306
2.BELGIUM	14 638	11 357	25 995
3.DENMARK	10 697	11 357	22 054
4.EGYPT	3 941	6 371	10 312
5.FINLAND	10 697	11 357	22 054
6.FRANCE	95 147	24 376	119 523
7.GERMANY	121 608	24 376	145 984
8.GREECE	5 067	6 371	11 438
9.IRELAND	3 378	6 371	9 749
10.ISRAEL	3 378	6 371	9 749
11.ITALY	82 761	24 376	107 137
12.IVORY COAST	1 126	1 662	2 788
13.LUXEMBURG	563	1 662	2 225
14.NETHERLANDS	22 520	16 066	38 586
15.NORWAY	8 445	11 357	19 802
16.PORTUGAL	3 941	6 371	10 312
17.SPAIN	34 343	16 066	50 409
18.SWEDEN	18 016	16 066	34 082
19.SWITZERLAND	18 016	16 066	34 082
20.TURKEY	6 756	11 357	18 113
21.UNITED KINGDOM	79 383	24 376	103 759
22.YUGOSLAVIA	6 193	11 357	17 550
TOTAL	563 563	276 446	840 009

Budget items No :

1+2+4 (Volume independent costs) = 277 KECU
3+5+6+7 (Volume dependent costs) = 563 KECU

NOTE : - this is the central contribution, which does not include
countries' lines and backbone's compensation ;

- countries not connected on July 1, 1989, are not included ;

- Iceland, who requested its withdrawal, is not included. Negotiations with Iceland are planned.

- this is in line with document BOD27 89 (and has nothing to do with the PTTs Volume dependent charging!)