

## EARN EXECUTIVE

## Proposal for sharing the costs of EARN

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The following subscription proposal does not only deal with associate country members but is rather a complete reworking of the cost sharing currently in place. It is a proposal for discussion at the EXEC meeting.

1. The cost of all EARN inter-continental lines to the United States will be shared among all EARN members based on GNP keys.

2. The cost of the EARN backbone of 64kb lines will be shared among all EARN members based on GNP keys. The backbone is defined as follows:

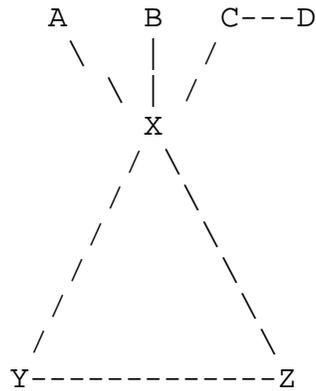
CERN-CWI  
CWI-MOP  
MOP-CERN

3. All countries are expected to connect directly to one of the backbone nodes. All associate member countries are expected to connect directly to one of the backbone nodes. Each country pays the cost of their link to one of the backbone nodes.

4. The EARN backbone can be expanded in the future to 4 or 5 nodes based on demand for further capacity.

5. Countries that do not wish to connect directly to one of the 3 backbone nodes can negotiate "deals" among themselves to reduce the cost. If for example "X" is a backbone node, "D" can connect to "C", which in turn connects to "X" in order to reduce costs. "D" and "C" must reach a private agreement on the sharing of costs of lines "C-D" and "C-X". Each country is still a member or associate member in EARN

and required to share in the costs of inter-continental links and the backbone links.



6. Cost calculations will be divided into 3 categories:

- A. Membership for running of EARN
- B. Inter-continental line costs
- C. Backbone line costs

A. Membership costs: this will be based on GNP keys. Associate countries pay based on half of their GNP costs. A ceiling on membership dues is defined as follows:

$$\text{ceiling} = (.10 \times tc) + (tc/nm)$$

Where

tc is the total central EARN office cost  
 nm is the number of EARN members

Example: If the number of member countries (associate and full) is 24, and the total EARN office cost is 632000ECUs, then the ceiling would be:

$$\begin{aligned} \text{ceiling} &= (.1 \times 630000) + (630000/24) \\ &= 63000 + 26250 \\ &= 89250\text{ECU} \end{aligned}$$

If the actual membership cost should have been 95000ECUs, then the difference (5750ECUs) is taken and divided, based on GNP keys, among all member countries, including the country which has achieved the ceiling cost.

B. Inter-continental links: All countries' contributions are based on their GNP keys. Associate countries' contributions are based on 50% of the their GNP key.

C. Backbone lines: All countries' contributions are based on their GNP keys. Since countries that are on the backbone benefit from having a 64kb line within the borders of their country (thereby saving on the cost of at least one link that they would normally have to pay for, to an adjacent country), along with the added benefit of having the line being paid for in most part by the other members of EARN, they will be required to fund a larger portion of the backbone. Countries located on the EARN backbone (currently France, Switzerland and Netherlands) pay for the backbone based on double the value of their GNP key. Associate countries do not pay any cost for the EARN backbone.

7. Lines donated by computer manufacturers for the benefit of EARN are to be considered contributions for the entire EARN community and not for the individual country to which it was donated. Therefore, countries that have their line to the EARN backbone paid for in this manner will be charged double for their EARN backbone costs (see 6c).

8. During the period that the EARN backbone will be funded by outside sources, countries residing on the backbone will have far less, and in some cases none, of the EARN line costs in Europe. Therefore, it is proposed that these countries pay EARN backbone costs based on the model in (6c) and that the money be applied to an EARN contingency fund.