

Source: Funding and Finance Group Chairman

Title: Draft 2004 budget

Agenda item: 6.4

Document for:

Decision	X
Discussion	
Information	

1 Explanation of proposed support budget for 2004

It is evident that there is pressure from Industry to reduce expenditure where possible. This has been echoed in recent meetings of the PCG and OP. However, it has also been clearly stated that expenditure reductions should be made without any significant loss to those services that are deemed essential to the well being of the Project. This proposed budget has been prepared with these constraints in mind.

1.1 MCC Staff

MCC currently has 5 Officers in direct employment at a rate of 160 kEUR per Officer per annum and 5 Assistants at a rate of 50 kEUR per annum. . ETSI has instigated a pay freeze in 2003 (and also 2002 for some grades) and whilst the conditions for 2004 have not yet been agreed it is unlikely that any significant increases will be made. The budget has been prepared showing no increase.

A testing expert employed as an Officer within another ETSI Department spends 100% of his time on 3GPP business (Mr Shicheng Hu). He is a TTCN expert and is largely engaged in the testing work of TSG T. He also serves as the co-ordinator for the ongoing 3GPP testing activities and leads both the prose description and test suite development activities. The cost of this additional ETSI Officer is included in the draft budget at the same rate as in 2003.

1.2 Contracted experts

One expert has already departed from MCC during 2003 and one further expert will depart at the year end. It has been assumed that these experts will not be replaced and that their work will be distributed among the remaining experts. This will reduce the number of MCC contracted experts from 15 to 13. The annual rate for each contracted expert is 136,2 kEUR and this will not change during 2004.

1.3 Travel and subsistence

Significant savings have been possible in 2003 by the more frequent use of "bucket seat" and of budget airlines. The 2003 budget had already been reduced from 780 kEUR to 680 kEUR but it is expected that the year will close well within this reduced budget. On the assumption that a similar proportion of meetings will be held in Europe during 2004 it is proposed that the travel and subsistence budget be further reduced to 600 kEUR for 2004.

1.4 Overheads

The ETSI GA has not yet concluded the ETSI 2004 budget so it is not possible to provide a definitive

prediction for overhead costs for 2004. However, the ETSI accountant has predicted that the 3GPP part will reduce from the 1706 kEUR paid in 2003 to 1660 kEUR in 2004. This assumption will be verified during the ETSI GA which will take place in November 2004.

1.5 Contingency

The contingency for 2003 had been set at a level of 200 kEUR but there have been very few demands for its use. It is proposed that the same amount be used for 2004.

2 Annotated support budget table

The following table shows the implementation of the above paragraphs and how they have been derived.

Proposed 2004 Support Budget	Proposed allocation (kEUR)
MCC Staff 5 MCC Assistants @ 50k€. 5 MCC Officers @ 160 k€ Total = 1050 k€ (Subtract 50 k€ for non-3GPP activities (officers) and 30 k€ (assistant EF3) = 1050 – 80 = 970	970
MCC Staff 1 additional officer (Shicheng Hu)	150
MCC Contractors 13 Contractors @ 136,2 k€ Subtotal = 1770 k€ Subtract cost of non-3GPP Groups (TC MSG (15k) EP RT (10k) and EP SCP (50k)) = 75 k€ 3GPP costs = 1770 – 75 = 1695 k€	1 695
Travel and subsistence Travel budget for MCC set at 620 k€ Subtract travel for non-3GPP Groups (TC MSG and EP SCP) = 20 k€ Resulting budget is 620-20 = 600 k€	600
Overheads Working Assumption to be confirmed by ETSI GA IT services = 740 Accommodation = 620 k€ Administration = 300 k€ Total = 740+620+300 = 1660 k€ (+150kEUR with LCR TDD)	1 810 with LCR TDD 1 660 w/o LCR TDD
Contingency	200
Total	5 425 with LCR TDD

	5 275 w/o LCR TDD
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3 Explanation of proposed special tasks budget for 2004

TSG T have indicated that, for the development of FDD mode TTCN, the same level of resource should be allocated in 2004 as in 2003. That is 754 k€

However, they have also indicated a strong demand for the development of TTCN for the low chip rate variant of the TDD mode. It has been requested that 500 kEUR be allocated for that purpose. FFG may wish to consider the manner in which this request should be satisfied.

Annotated specific task budget table

Task description	Budget Allocation (kEUR)
TTCN for MS interoperability (FDD) 58 man months @ 13 k€ = 754 k€	754
TTCN for MS interoperability (TDD) 39 man months @ 13 k€ = 507 k€	507
Total	1261

4 Budget trends

FFG may be interested in seeing the support budget trend since 2001, which is shown in the table below. (Note: the 2004 column does not take into account LCR TDD overheads).

Budget Line	2001	2002	2003	2004
MCC Staff	918	955	970	970
Additional support staff		144	150	150
MCC Contractors	1944	1963	1832	1695
Travel and subsistence	781	781	680	600
Overheads	1884	1784	1706	1660
Contingency	552	563	200	200
Sub Total	6079	6190 (+2%)	5 538 (-11%)	5275 (-5%)

All figures in KEUR

The following table shows trend for the development of TTCN. (Note: the 2004 column does not take into account LCR TDD).

	2001	2002	2003	2004
Paid	485,7	619,2	767	754
Voluntary	141,0	34,8		
Total	626,7	654,0	767	754
		(+4%)	(+17%)	(-2%)

All figures in KEUR