

Source: TTA

Title: Proposal for improving the funding & financing model of 3GPP

Agenda item: 6.3

Document for:

Decision	X
Discussion	X
Information	

The 3rd Generation Partnership Project (3GPP) was launched in December 1998. The collaboration agreement brought together a number of telecommunications standards bodies which are known as “Organizational Partners” and the current organizational partners include ARIB, CWTS, ETSI, T1, TTA, and TTC.

Before 3GPP was established, the OPs agreed about the calculation formula for 3GPP contribution in Geneva, October 1999. Since 1999, each OP has collected contribution from its IMs and forwarded it to 3GPP.

The contribution is composed of equal division and proportional division of support budget. The ratio of equal division and proportional division has been set at 50 to 50. As a result of applying this system for the past 3 years, the OPs who have a small number of IMs have been left in a disadvantageous position compared with the bigger OPs.

Based on the current calculation method that the contribution of an OP is divided by the number of its IMs, IMs under a small OP are bound to pay 4 or 5 times as much contribution as IMs under a bigger one. In addition, a comparison between the funding models of 3GPP and 3GPP2 shows that the latter scheme effectively reduces the gap among IMs. (See Attachment 1)

Consequently, many complaints have been raised by the IMs who belong to a small OP and furthermore, some members of small OPs had transferred their allegiance from one OP to another which is believed to impose a lower financial burden on them. In the mean time, some OPs have suffered a decline in membership (See Attachment 2) and it was argued that this had led to an imbalance which could ultimately lead to the collapse of the Project.

Moreover, as we are all aware, the global IT business has been struggling with the continuous recession, not likely to be recovered within a short period of time. To make matters worse, the 3rd generation mobile service, considered a key to the recovery, is being postponed at the moment.

Therefore, to help improve the current funding and financing model of 3GPP, TTA proposes;

- **To consider a new calculation formula for 3GPP contribution; Change the ratio of equal division of support budget and proportional division of support budget as 20 to 80.**
- **To diversify financial sources; Collect contribution from MRPs as well as OPs.**

**3GPP/OP#8 Meeting
St Paul de Vence, France
4 October 2002**

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Attachment 1 : Comparison between the present and proposed systems for 3GPP contribution

Present System

3GPP Contribution per IM

(Year 2001, FLURO)

3GPP Partner	Total Contribution	Special Task	Contribution	No. of IMs	Contribution per IM
ARIB	713,520	42,250	671,270	36	18,646
ETSI	3,144,500	84,500	3,060,000	361	8,476
T1	1,119,120	84,500	1,034,620	34	30,430
TTA	651,420	84,500	566,920	17	33,348
TTC	609,170	42,250	566,920	17	33,348
CWTS	180,000		180,000		
Total	6,417,730				

3GPP2 Contribution per IM

(Year 2001, US\$)

3GPP2 Partner	Total Contribution	No. of IMs	Contribution per IM
ARIB	150,750	5	30,150
TIA	1,007,300	42	23,983
TTA	220,200	8	27,525
TTC	127,600	4	31,900
CWTS	58,150	1	
Total	1,564,000		

(Year 2002, FLURO)

3GPP Partner	Total Contribution	Special Task	Contribution	No. of IMs	Contribution per IM
ARIB	749,110	94,250	654,860	30	21,829
ETSI	3,364,030	188,500	3,175,530	359	8,845
T1	1,131,370	188,500	942,870	21	44,899
TTA	752,030	188,500	563,530	11	51,230
TTC	669,310	94,250	575,060	13	44,235
CWTS	260,000		260,000		
Total	6,925,850				

(Year 2002, US\$)

3GPP2 Partner	Total Contribution	No. of IMs	Contribution per IM
ARIB	145,285	6	24,214
TIA	1,027,564	54	19,029
TTA	182,047	8	22,756
TTC	90,142	3	30,047
CWTS	71,762	2	
Total	1,516,800		

Proposed System

3GPP Contribution per IM (Estimated budget regarding Equal Division : Proportional Division = 2: 8)

		3GPP Partner	Equal Division of support budget	Proportional Division of support budget	Contribution
Contribution (RAN, T, SA, CN)	4,683,780	ARIB	187,351	290,092	477,443
Contribution (GERAN)	1,215,950	ETSI	308,946	3,798,009	4,106,955
Equal Division of support budget	936,756	T1	308,946	357,707	666,653
Proportional division of support budget	3,747,024	TTA	187,351	136,988	324,339
Equal Division of support budget (GERAN)	243,190	TTC	187,351	136,988	324,339
Proportional division of support budget (GERAN)	972,760	Total	1,179,946	4,719,784	5,899,730
Special Task	338,000				
CWTS	180,000				
Total Contribution	6,417,730				

(Year 2001, EURO)

3GPP Partner	Total Contribution	Special Task	Contribution	No. of IMs	Contribution per IM
ARIB	519,693	42,250	477,443	36	13,262
ETSI	4,191,455	84,500	4,106,955	361	11,377
T1	751,153	84,500	666,653	34	19,607
TTA	408,839	84,500	324,339	17	19,079
TTC	366,589	42,250	324,339	17	19,079
CWTS	180,000		180,000		
Total	6,417,730		6,079,730		

		3GPP Partner	Equal Division of support budget	Proportional Division of support budget	Contribution
Contribution (RAN, T, SA, CN)	4,983,340	ARIB	199,334	275,576	474,910
Contribution (GERAN)	928,510	ETSI	292,185	3,999,489	4,291,674
Equal Division of support budget	996,668	T1	292,185	233,953	526,138
Proportional division of support budget	3,986,672	TTA	199,334	101,045	300,378
Equal Division of support budget (GERAN)	185,702	TTC	199,334	119,416	318,750
Proportional division of support budget (GERAN)	742,808	Total	1,182,370	4,729,480	5,911,850
Special Task	754,000				
CWTS	260,000				
Total Contribution	6,925,850				

(Year 2002, EURO)

3GPP Partner	Total Contribution	Special Task	Contribution	No. of IMs	Contribution per IM
ARIB	569,160	94,250	474,910	30	15,830
ETSI	4,480,174	188,500	4,291,674	359	11,955
T1	714,638	188,500	526,138	21	25,054
TTA	488,878	188,500	300,378	11	27,307
TTC	413,000	94,250	318,750	13	24,519
CWTS	260,000		260,000		
Total	6,925,850		6,171,850		

Attachment 2 : Change in the number of IMs over the last few years

Number of IMs

3GPP Partner	2001	2002	Now
ARIB	35	30	30
CWTS	10	10	10
ETSI	310	359	396
TTA	17	11	11
TTC	17	13	13
T1	25	21	22