

**Source: 3GPP Organizational Partner Heads of Delegation**

**Title: Summary of Heads of Delegation discussions on 3GPP funding**

**Agenda item: 6.3**

**Document for:**

Decision	
Discussion	
Information	<b>X</b>

During the HoD discussions held in Birmingham (14 March) and Geneva (4 June) the following conclusions were reached:

## **1 The Character of 3GPP**

The Partners concluded that whatever funding arrangements are established for the future, the nature of 3GPP should be preserved. 3GPP should continue to be a collaborative activity among Organizational Partners that have ownership of the Project results and responsibility for their transposition into SDO deliverables. There is currently no intention for 3GPP to become a Forum.

## **2 Decision Making**

There are two tiers of decision making within 3GPP: a "one Member one Vote" tier which applies within the Technical Specification Groups, and a "one Partner one Vote" tier which applies within the Project Coordination Group and Organizational Partners meetings. The Partners agree that the existence of these two tiers should continue to be reflected in any future funding arrangement.

## **3 Funding Ratio**

3GPP currently uses a 50/50 funding ratio, where 50% of the budget is raised by equal Partner payments and the remaining 50% by payments proportional to the number of Individual Members. Over time, the imbalance in the number of Individual Members has become more pronounced and the Partners agree that such a ratio is no longer appropriate. A number of alternatives have been considered ranging from 30/70 (where 30% of the budget is raised by equal Partner payments and the remaining 70% by payments proportional to the number of Individual Members) to 0/100 (where 100% is raised by payments proportional to the number of Individual Members). There are benefits and drawbacks from each of the ratios that have been considered but, after due consideration, the ratio of 20/80 is found to be the most acceptable of the options and will be used for the immediate future.

## **4 Simplifying the funding formula**

The existing funding formula is complicated: GERAN/UTRAN are funded separately, specific task are funded differently, etc. This has led to a complex calculation at the end of each year in order to determine the amounts to be returned to each Partner. The Partners agree that any new formula should be simpler and based on a unified budget that includes all activities. In addition, the Partners agree that the new formula should apply to all 3GPP Organizational Partners.

## **5 UTRAN/GERAN**

When 3GPP was created in 1998 the scope was limited to the UTRAN air interface. In 2000 that scope was widened to include GERAN air interfaces. The acceptance by the Partners to widen the scope was conditional on the required funding for that additional work being provided by interested Partners only, and the work being performed in a separated TSG. With time, the cost of supporting TSG GERAN has fallen and will continue to fall with the rationalization of GERAN Working Groups. With this fall in costs the Partners agree that it is unnecessary to treat GERAN as a separately funded activity and that it should be treated as part of the unified budget. However, when looking to the future of 3GPP, the Partners urge serious consideration for the merger of GERAN and RAN into a single TSG when conditions permit. Such a merger would make 3GPP fit for future radio access work.

## **6 Additional funding sources**

The funding of 3GPP currently falls to the Organizational Partners (with some isolated cases of voluntary funding from other sources). When considering the benefit that Market Representation Partners derive from 3GPP results, they should be urged to consider the provision of contributions towards 3GPP costs (in 50kEUR units).

## **7 Reducing cost**

3GPP enjoys a high level of project support, but the cost of that support is now becoming hard to sustain. The TSG Leaders have already prepared a list of actions that could help to reduce the project support cost (e.g. changes to the organizational structure, number of meetings, frequency of releases, etc) and the Partner urge that serious consideration be given to them.

## **8 Membership Churn**

The imbalance in the number of Individual Members belonging to each Partner is aggravated by membership churn. In more recent years there has been a migration of members seeking to find the cheapest avenue for 3GPP participation and this can only lead to irritation. In considering the funding arrangements for the future the Partners commit themselves to address the subject of membership churn and to take active measures to prevent it.