Global Lambda Integrated Facility
Sponsorship and Continuity of Funding Proposal

GLIF Secretariat, Version 1.1, 15 August 2012

Executive Summary

This paper provides a summary of current GLIF activities, the current state of finances, and proposes a revised funding model. Proposals are advanced for discussion and do not constitute any decision or agreement by the existing GLIF sponsors and participants.

Overview

The Global Lambda Integrated Facility (GLIF) has its origins in the annual Global LambdaGrid Workshops that started in 2001. At the 3rd Annual Global LambdaGrid Workshop in Reykjavik (2003), the GLIF name was formally adopted, whilst at the 4th Annual Global LambdaGrid Workshop in Nottingham (2004), it was agreed to establish a secretariat paid from sponsorship from participating organisations.

The Trans-European Research and Education Networking Association (TERENA) already operated a secretariat for European NRENs, and so was asked to run the GLIF Secretariat starting from 1 January 2005. It has undertaken this role ever since, reporting to the GLIF Governance Working Group that meets at every Global LambdaGrid Workshop.

The GLIF Governance Working Group is open to all GLIF participants, but oversight of activities is primarily undertaken by Kees Neggers (Governance Working Group Chair and de-facto GLIF Chair), Lars Fischer (Technical Working Group Chair), and Maxine Brown (Research and Application Working Group Chair).

The GLIF Secretariat undertakes the following tasks:

- Organising the Global LambdaGrid Workshop each year in conjunction with the local hosts, and formulating the programme in conjunction with the GLIF Working Group Chairs. The hosting costs are covered by delegate registration fees and local sponsorship.

- Soliciting and evaluating proposals of potential hosts of Global LambdaGrid Workshops.

- Organising the interim meetings of the GLIF Technical Working Group (and previously also the Control Plane Working Group), usually in January or February of each year. The hosting costs are paid from GLIF funds.

- Providing administrative support to the Working Groups, including formulating programmes in conjunction with the Chairs, producing and circulating minutes, and publishing presentations and other proceedings.

- Hosting, maintaining and updating the GLIF website (http://www.glif.is/)

- Hosting and administering the GLIF mailing lists.

- Producing publicity material as requested by the GLIF Governance Working Group, as well as publishing news items as necessary.

- Contracting and supervising production of the GLIF map. Contractors are paid from GLIF funds.

- Promoting and presenting GLIF at other conferences, workshops and fora as required.

TERENA provides two staff (currently Kevin Meynell and Peter Szegedi) specifically dedicated to GLIF activities, who are supported by other staff as necessary. Total manpower amounts to approximately 0.6 of an FTE per year, and budgeted running costs were EUR 79,000 for 2012.

These running costs are met from sponsorships paid by organisations participating in GLIF, but sponsorship is voluntary and discretionary. At the present time, 23 organisations contribute sponsorship ranging from EUR 500 up to EUR 10,400, and totalling EUR 72,884.

It is difficult to determine the total number of active participants in GLIF at any one time, and of course some are more active than others whilst others come and go for various reasons. Nevertheless, from examination of meeting registration lists, there are probably around 60 participating organisations which means just over a third are contributing sponsorship.

GLIF was able to build up a financial reserve in the period 2005-2009, mainly because TERENA was willing to subsidise the running costs. This was no longer possible from 2010 onwards, and as a result the operational costs exceeded sponsorship in both 2010 and 2011. The situation was also exacerbated by the fact that the GLIF Secretariat had to organise much of the 10th Global LambdaGrid Workshop itself.

The result is that the reserves have now been depleted to a level that not will permit continued operation of GLIF beyond 2013 unless additional sponsorship can be found or costs can be radically reduced. Perhaps more pertinently though, the financial situation limits scope for undertaking additional activities that can enhance and expand GLIF.

Current Funding Model

Financial contributions to GLIF have largely remained at a consistent level over the years and have not declined despite the financial difficulties facing many organisations at present. Nevertheless, it has become clear that current levels of funding are likely to be insufficient in future, and there are significant differences in the contributions that different organisations are making.

In particular, this creates difficulties in requesting increases in sponsorship as it is hard to calculate fair methods of raising additional revenue. Applying a uniform percentage increase also weighs more heavily on the larger contributors even assuming the smaller contributors are able and willing to pay more.

For 2012, it became clear that the issue of the funding shortfall needed to be addressed urgently, so existing sponsors were asked whether they'd be willing to increase their contributions by 30%. The vast majority generously agreed to do so, but this sort of increase can only be a short-term solution and fell disproportionately on the larger contributors.

At the GLIF Governance Working Group meeting in Rio de Janeiro (September 2011), a number of ways of increasing revenue were discussed. The obvious solution is to recruit additional sponsors, but efforts in this direction have so far only elicited one additional

sponsor. This is possibly because the cycle of Governance Working Group meetings means that the budget for the following year is only determined a couple of months before the start of the financial year for many organisations, and leaves insufficient time for them to allocate GLIF sponsorship in their financial planning. Indeed, feedback received by the GLIF Secretariat suggests that more organisations would be able and willing to make larger contributions if they received requests earlier, and there were more tangible benefits associated with their sponsorship.

Another suggestion was to use registration fees from Global LambdaGrid Workshops to raise revenue. The reality though, is that there is almost no scope to make surpluses from these events and they often require additional local sponsorship in order to break even. With a maximum attendance of 150 or so participants, even doubling the current registration fees of approximately EUR 250 to EUR 500 would still raise less than half of the money needed to run GLIF. Quite aside from the potentially detrimental effect on attendance that charging EUR 500 for a 2-3 day workshop might have, it also results in an unpredictable income stream that can easily be affected by choices of event location, currency fluctuations, and other external factors.

At the present time, the hosting costs of the January/February Technical Working Group meetings are paid from GLIF funds, although these meetings are normally co-located with Internet2, APAN or OGF meetings to reduce overall costs. Registration fees could be introduced to offset the costs, but the savings would be minimal as the cost of staging these meetings rarely exceeds EUR 2,000 per year.

It was therefore agreed in Rio de Janeiro that the initial approach should be to develop more coherent sponsorship tiers, along with guidelines as to what would be appropriate contributions for particular types of organisation. The aim is achieve consistency and fairness amongst sponsors, assist the financial planning of existing and potential sponsors, and provide a more stable funding mechanism for the GLIF Secretariat. In the longer term, the hope would be to encourage more organisations to contribute sponsorship and therefore allow GLIF to further develop its range of activities.

Proposed Funding Model

Analysis of existing sponsors reveals they can generally be categorised as GOLE operators, lightpath providers, and lightpath users; although there can be some overlap between categories. In addition, there is some tendency for the contributions to be roughly aligned with these categories which suggests that GOLE operators find the most value in GLIF to varying degrees. This would also suggest that basing sponsorship tiers around these categories may be a fair and acceptable approach to revising the funding model.
It is therefore proposed to introduce sponsorship tiers as follows:

Tier	Category	Description	Units
1	International GOLE Operator	Organisation providing an optical exchange that is critical to connecting global communities. Would typically have more than 4 international links.	6
2	National Lightpath Operator	Organisation providing lightpath services to a country or territory. Would normally operate an optical exchange with up to 4 international links.	4
3	Regional Lightpath Operator	Organisation providing an lightpath	2

		services to a region of a country or territory. May or may not operate an optical exchange or have international links.			
4	Lightpath User	University or research institute utilising lightpath services.			1

Some sponsors would fall into more than one category, and there would undoubtedly be some grey areas as to whether certain organisations should be considered to have an intercontinental, national or regional focus. However, the categories are intended to be self-selecting, and organisations could choose the category they feel is most appropriate to their circumstances.

The number of units listed for each category would be used to calculate the suggested contributions. The GLIF budget as agreed each year would be divided by the total number of units listed against all the contributors in order to produce a unit value. This would then be multiplied in accordance with the table above to derive the contribution for each sponsor. If the number of sponsoring organisations changes, the unit contribution would be adjusted as appropriate.

The following table categorises existing sponsors in accordance with the proposed sponsorship tiers, and indicates what their suggested contribution would be compared to their actual contribution in 2012.

Sponsor	Tier	Units	Contributions 2012 (EUR)		
			Actual	Proposed	Difference
AARNet	2	4	1,326	4,000	+2,674
AMPATH	3	2	846	2,000	+1,154
ANSP	3	2	5,200	2,000	-3,200
CANARIE	2	4	3,250	4,000	+750
CENIC	3	2	1,710	2,000	+290
CERN	2	4	3,000	4,000	+1,000
CESNET	2	4	5,265	4,000	-1,265
CPqD	4	1	TBC	1,000	N/A
e-ARENA	2	4	2,000	4,000	+2,000
i2CAT	4	1	1,105	1,000	-105
Indiana University	4	1	TBC	1,000	N/A
Internet2 (MAN LAN)	1	6	3,692	6,000	+2,308
KAUST	3	2	2,600	2,000	-600
KISTI	2	4	4,000	4,000	-
NLR	2	4	7,308	4,000	-3,308
NORDUnet (NorthernLight)	1	6	8,000	6,000	-2,000
iCAIR	4	1	1,105	1,000	-105
PNWGP	3	2	2,000	2,000	-
PSNC	2	4	5,000	4,000	-1,000
RNP	2	4	1,538	4,000	+2,562
SURFnet (NetherLight)	1	6	10,400	6,000	-4,400
TWAREN	2	4	1,500	4,000	+2,500
University of Amsterdam	4	1	500	1,000	+500
UCSD	4	1	769	1,000	+231
UIC (StarLight)	1	6	769	6,000	+5,231
Total		**80**	**72,884**	**80,000**	**+7,116**
Budget		**1000**	**79,000**	**80,000**	**+1,000**

For eleven of the sponsors, there would not a dramatic difference from what they pay now, whilst another five sponsors would see moderate changes. Six organisations would see a larger increase, but several of these have indicated they would be willing to contribute more if certain conditions are met. The three biggest sponsors would in principle receive a reduction in their current contributions, but this is considered reasonable given how much more they currently pay, and the fact they may need to be asked to continue to subsidise any shortfalls in contributions.

The main aim of this scheme is to have similar organisations paying similar contributions, but it is recognised that a transitional period may be necessary. Sponsors have been placed in categories according to their apparent status, but they could make the case to be placed in a lower category (e.g. if an apparently national lightpath operator actually only services a part of the country) or to share costs with another sponsor (e.g. where a GOLE is co-funded or operated).

This said, unit contributions would need to increase if too many sponsors request to move to a lower category. Alternatively, there is the possibility that sponsors benefitting from the changes will pay less, whilst not all those being asked to pay more will do so. This would obviously create a shortfall in funding which is one of the issues this proposal attempts to address.

It is therefore important that the majority of sponsors buy into this scheme, and it may be necessary to ask the bigger sponsors to continue to make higher contributions until gradual inflationary adjustments can be made to other contributions. Furthermore, with the introduction of recommended categories, it may encourage other GLIF participants operating GOLEs and offering lightpath services to become sponsors.

Benefits for Sponsors

GLIF Secretariat has already been asked to produce a prospectus listing the benefits of GLIF participation, and this should certainly be followed up on to encourage potential new sponsors. However, there are currently no additional tangible benefits of being a GLIF sponsor compared to other GLIF participants other than recognition on the website, and this is a matter that should be addressed.

During discussions about sponsorship during early-2012, several sponsoring organisations indicated to the GLIF Secretariat that it would be easier to make contributions if they were linked to something tangible such as membership and/or services. Therefore, creating the concept of a kind of membership (while keeping in mind GLIF is not a legal entity) may be something to consider.

It is further suggested that host organisations of the Global LambdaGrid Workshops should be credited as sponsors, and perhaps also receive some sort of rebate if they are existing sponsors. Hosts have to commit organisational effort and sometimes financial support as well, so these contributions to GLIF should be recognised.

Another issue is that sponsoring organisations have generally been poorly represented at GLIF Governance Working Group meetings, even though this is where budgets are decided and activities approved. The role of this group should be made clearer, and consideration given to the creation of a formal Steering Committee with clearly defined responsibilities.

Next Steps

This paper will be circulated to relevant parties in advance of the next GLIF Governance Working Group meeting on 12 October 2012 during the 12th Global LambdaGrid Workshop in Chicago, United States. The aim is to agree on a funding model at this meeting, with a view to implementing from 1 January 2013. It is therefore important that as many (potential) sponsors as possible are represented at the Working Group.