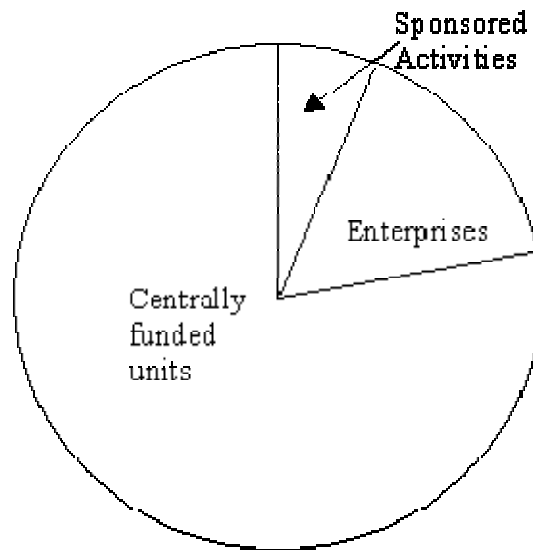


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Central Cost Pool Network Charge-Back Model

September 18, 2000

By Pat Burns



1. Funds will be pooled centrally to pay the uncovered costs associated with networking. Per connection network costs will be computed as follows:

$$\text{Per connection cost} = \text{networking costs} / \text{number of network connections}$$

2. Networking costs shall consist of three components:
 - i. Wide Area Networking (WAN) costs – the majority of costs
 - ii. Maintenance on shared backbone and building switches
 - iii. Access to shared databases (e.g. the “Web of Science”)
3. Sponsored activities will pay individually for their network access. Federally sponsored activities must apply to the Office of Sponsored Programs (OSP) for approval to pay for network charges - the network connection must be used exclusively in support of a federal project. These charges will be assessed frequently, perhaps monthly or quarterly. However, the issue of these costs being included in overhead charges is being revisited.
4. Enterprises will pay for their network access. These charges will be assessed less frequently, perhaps annually.
5. Centrally funded units will have their networking access paid for centrally. Central units each will have their budgets reduced by the amount of reduction in basic service telephony charges. The sum of such reductions in aggregate will be used to fund networking costs.

Issues

1. No budget adjustments/reallocations will be done, except for that described in point 5 above.

2. Central funds are very difficult to obtain. Is it possible to maintain high-quality networking with competing pressures for central funding? **With the revenue recouped from the reduction in telephone charges, we may be OK for two years, at which time we may need to reexamine network charge-back.**
3. Enterprises may have to establish non-shared backbone network connections.