



Project Number: IST-2004-2012

Project Acronym : COCOMBINE

**Project Title: “Competition, Contents and Broadband for the
Internet in Europe”**

Instrument: SPECIFIC SUPPORT ACTION

Thematic Priority: Information Society Technologies

Periodic Management Report

Period covered: from 1st January 2004 to 31st December 2004

Date of preparation: 1st February 2005

Start date of project: 1st January 2004

Duration: 27 months

Project coordinator name: Dr Emanuele Giovannetti

Project coordinator organisation name:

CHANCELLOR, MASTERS AND SCHOLARS OF THE UNIVERSITY OF
CAMBRIDGE

Revision [5]



Section 1 - Justification of major cost items and resources

This section provides a justification of the major costs incurred and resources deployed by each contractor, linking them to activities implemented by each contractor and explains their necessity. This includes the work performed by each contractor during the period at the workpackage level.

1 DAE UNICAM

In the first year, January 2004-December 2005, the team at DAE UNICAM, employed 13.9 person months (pms) into the project, for a total of euro 68,225.12. The work was divided between WP1 Internet Connectivity (9,76) and WP5 Management and Dissemination (4.14). Dr Giovannetti and Dr Sgroi have been working part time for the entire period of the project, Mr D'Ignazio between May 2004 and December 2005 and Mr Loepler from mid October 2004 to December 2005. In particular after D1 Project Presentation, contained in our dynamically updated web-site, www.cocombine.org and organised by Dr Giovannetti, Dr Sgroi and the Department Webmaster Dr Cobb, Dr Giovannetti and Mr D'Ignazio produced the Deliverables: D2 "Preliminary Report on Game Theoretic Literature on Network Formation" and D3 "Preliminary Report on the Economic Literature on Bilateral Peering Decisions". They also produced D5 "Initial Data-Set on Transit Prices and Quality" together with Mr Loepler, by the end of Month 10, and D9 "Agglomeration in the Internet Exchange Points" and D10 "Interim Report on European Connectivity on IXPs" by the end of Month 12. Dr Sgroi produced by the same time a paper on network optimality, D8 "Optimality and Networks: Social Network Theory, Broadband and the Web". The work for WP5 has mainly been concentrated in the first and last months of the year and has produced the first year activity report and this Management report, together with the bi-monthly activity reports.

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2 SNF

SNF contributed with 5,4 pms to WP3 3 “Complementarities Access and Contents” in this first year, at a total cost of euro 55,173. SNF had no planned deliverables for this reporting period, however they finished preliminary versions of two scientific papers concerning regulatory policy on the Internet, which will form part of the Workpackage deliverables. Travelling expenses were lower in 2004 than initially estimated, partly because deliverables will first be ready at the end of 2005.

SNF has also reallocated 10% of the budget for travel costs to the person-month budget. As far as we understand, this is not a problem in terms of the contract. The switch is mainly due to the fact that we will use more senior man-hours on the project than initially assumed, and fewer hours for less senior personnel, also there has been an increase in our man-hour costs since the project started.

3 FEUNL

FEUNL contributed with 7.05 pms to the work of WP 2 “Broadband Impact”, at a total cost of euro 33,198.23, in the first year of the project. During 2004, FEUNL team has developed together with the Maastricht team, a conceptual model to support a survey questionnaire designed with the objective of identifying key determinants of export performance in an e-commerce context. The questionnaire was tested in Portugal and the Netherlands. Before collecting the data through a web survey both the Portuguese and Dutch team had to create a large database of export companies from both EU countries (Portugal and Netherlands) that have a webpage. Deliverable 6 “Large Database of European Export Companies and Case Study” was accomplished together with the UNICA Team.

Four Major Items costs are described below :

Major cost item X (period 1):

1,925 euro : PC portable as it is a basic requirement for the project

Major cost item Y (period 1):

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1,127 euro : Trip + Accommodation in Maastricht to meet with the Dutch co-authors.

Major cost item X (period 2):

2,678.05 euro : Trip + accommodation + conference fees to present two Cocombine papers at the EIRASS conference in Prague.

Major cost item Y (period 2):

2,399.67 euro : Trip + accommodation + training course fees in Chicago, to update knowledge on Structural Equation Modelling (the methodological tool that will be used to analyse the data in the project).

4 UNIMANN

UNIMANN contributed with 7 pms at a cost of euro 39,112 to the project. In particular Dr Spagnolo and Ms Brilon, have been working at D.9 “Agglomeration in the Internet Exchange Points”. UNIMANN contribution to the project ends with this first year of activity. This was planned in advanced since Dr Spagnolo was moving to a different University.

5 UNICA

UNICA contributed with 3 pms at a cost of euro 9,000 to the project this year. In particular they worked on the WP 2, “Broadband Impact” developing a case study analysis regarding the ICT Cagliari cluster. Together with FEUNL Dr Cristina Murrone concluded Deliverable 6 “Large Database of European Export Companies and Case Study”.

They have not yet incurred into Major costs which will be are represented by travel and publication, that are necessary for the dissemination of the research, and large consumable goods, that are needed for carry out the elaboration of the data for the case study. The lower pms figure (3) reported in Table 1 below differs from those reported in their bimonthly activity reports and annual activity report that were based on a estimate of the actual involvement of our permanent staff, which,

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however, is not eligible for funding. Two person months of Permanent staff have been used in this period.

6 IESE

IESE contributed with 5.93 pms to the project at a total cost to the project of euro 13,425.7. Of those 5.93 pms, 5.63 months have been carried out by temporary personnel contracted only for the project. The remaining 0.3 pms have been carried out by permanent employees of IESE Business School. This time represents approx. 5% of the total person-month and has not been funded through the EC grant. Only the personnel costs of euro 9,238.2 have been financed through the EC grant and represent the time equivalent of 5.63 person month.

IESE worked at WP4 "Policy" and produced the paper "Telecommunications Policies: Determinants and Impacts" as Deliverable D7.

7 ANALYSYS

ANALYSYS contributed with 0.36 pms to the project at a total cost of euro 10,304.47. In particular Dr. Kende participated to the WP 1's activity and Developed the Deliverable D11 "US-EU Internet Connectivity Comparison" Report.

8 LINX

LINX contributed with 0.7 pms to the WP 1 of the project at a total cost of euro 13,400. In detail Dr Souter completed D4 Part A: "First Preliminary Report on Traffic Evolution at LINX" and actively helped and contributed to the work, and providing data, for the other deliverables of the same workpackage.

9 MIX



MIX contributed with 0.64 pms to WP 1 of the project at a total cost of euro 10000 from EU funding plus euro 752 of Internal funding. In particular MIX, with Dr Valeria Rossi and Dr Joy Marino, contributed to the Exchange and coordination of mutual information with LINX UK. They also concluded Deliverable 4 part B: "Evolution of peering traffic at MIX", worked for the dissemination of information about CoCombine to some MIX customers; and participated to Euro-IX Forums and RIPE meeting having the possibility to compare MIX status with those of other peering points.

MIX had not major cost items such as important equipment purchases, major travel costs, large consumable items etc., justifying their necessity to the project.

Also Mix had requested, by large, the lowest EU funding within the consortium, and this has now been used. However MIX is willing to continue with its own funding to participate to the project until the end according to schedule.

10 LEAR

LEAR contributed to the project with 18 pms at a total cost of euro 50,000. However euro 27,025.50. have been contributed from its own resources. In particular Lear has contributed to Workpackage 4 "Policy" by collecting and analysing all cases about the Internet decided by the EC Commission pursuant to antitrust provisions and to the EC Merger Regulation. This work, together with a critical review of the economic literature on the subject matter will form deliverables D13 "Papers on Proposed modifications to: 1) definitions of relevant markets (product and geographic); 2) measures of the relative strength of competing firms and the benefits of agreements among them" and D14 "Reports on Identification of: 1) possible risk of collusive behaviour in electronic Marketplaces; 2) factors that influence this risk; 3) potential anti-competitive behaviours of e-marketplaces providers; 4) possible need for certain regulatory acts". Below we provide a tabular

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overview of budgeted costs and actual costs, by contractor and by major cost item including personnel..



Cost budget Follow-up Table				Acronym: Cocombine	Date: 3 February 2005				
				Contract N: IST-2004-2012				Total Budget Figures –not EC funding	
Contractor n°	Organisation Short Name	Cost Model	Type of Expenditure (as defined by participant)	BUDGET	ACTUAL COSTS (EUR)- PERIOD 1	Pct spent	Remaining Budget (EUR)		
1	DAE UNICAM	AC	Total Person Months	29	13.9	47.90%	15.1		
			Personnel Costs	119,000	53,180.15	45.00%	65,819.85		
			Other Costs	50,697	15,044.98	30.00%	35,652.02		
			Total Costs	169,697	68,225.12	40.00%	101,471.88		
2	SNF	FC	Total Person Months	11	5.4	49.00%	5,6		
			Personnel Costs	89,700	43,797	49.00%	45,903		
			Other Costs	26,042	2,180	8.00%	23,862		
			Indirect Costs	23,148	9,196	40.00%	13952		
			Total Costs	138,890	55,173	40.00%	83,717		

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3	FEUNL	AC	Total Person Months	37	7.05	19.05%	29.05
			Personnel Costs	96,161.67 Direct, of which 20,000 for the survey	7,050.00	na	
			Major Item Cost		1,925.00	na	
			Major Item Cost		1,127.00	na	
			Major Item x Cost		2,678.05	na	
			Major Item y Cost		2,399.67	na	
			Other Costs		19,232.33	18,018.51	na
			Total Costs	115,394.00	33,198.23	28.70%	82195.77
			4	UNI MANN	AC	Total Person Months	7
Personnel Costs	32,593.00	32,593.00				100.00%	0.00
Other Costs	6,519.00	6,519.00				100.00%	0.00
Total Costs	39,112.00	39,112.00				100%	0.00

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5	UNICA	AC	Total Person Months	11	3 ¹	27%	8
			Personnel Costs	38,675	7,500	19%	31,175
			Major Cost Item travel	2,739	0	0%	2,739
			Major cost item large consumable goods	1,100	0	0%	1,100
			Major Cost Item publications	1,150	0	0%	1,150
			Other Costs (indirect costs: flat rate 20% direct costs)	8,733	1,500	17%	7,233
			Total Costs	52,397	9,000	17.18%	43,397

¹ Our bimonthly reports and annual report were based on a estimate of the actual involvement of our permanent staff, Our estimate of the number of person-months of permanent staff working on the project, even if not eligible for funding is 2.

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6	IESE	AC	Total Person Months	12	5.63 (Eu Funded) + 0.3 (internally funded)	46.91% (of EU funded)	6.07
			Personnel Costs	18,292.00	11,237.00 ²	50.50% (EU funded)	9,053.80
			Major Cost Item x	2,670.00	1,949.20	73%	720.80
			Major Cost Item y	1,338.00		0%	1,338.00
			Other Costs	4,460.00	2,237	50%	2,223.00
			Total Costs	26,760	13,425.70	50%	13,334.30
7	ANALYSYS	FC	Total Person Months	1.5	0.36	24.00%	1.14
			Personnel Costs	34,833.33	8,587.06	24.65%	26,246.27
			Other Costs	6,966.67	1,717.41	24.65%	5,249.26
			Total Costs	41,800.00	10,304.47	24.65%	31,495.53

² *9,238.2 - EU funding 1,998.8 - internal funding of permanent personnel.

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8	LINX	FC	Total Person Months	1	0.70	70%	0.3
			Personnel Costs	16,666.66	13,400.00	80.40%	3266.66
			Other Costs	3,333.34	0	0%	3333.34
			Total Costs	20,000	13,400	0.67	6600
9	MIX	FC	Total Person Months	1	0.64	64%	0.36
			Personnel Costs	8,333.33	8,960.00³	100% of EU funded	0
			Other Costs	1,666.66	1,792.30⁴	100% of EU funded	0
			Total Costs	10,000	10752⁵	100% of EU funded	0

³ **8,333.33 EU funding +626.67 Internal funding

⁴ **1,666.66 EU funding +125,64 internal funding

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10	LEAR	FCF	Total Person Months	31	18	58.1%	13.00
			Personnel Costs	76,000	42,000.00	55.3%	34,000.00
			Other Costs	15,898	8,000.00	50.3%	7,898.00
			Total Costs	91,898	50,000.00	54.4%	41,898.00
	Total		Total Person Months	141.5	63.98	45.2%	77.52
			Personnel Costs	na	228,304.21		
			Major costs items	na	7,679.25		
			Other Costs	92,851	66,205.20	71.3%	26,645.8
			Total Costs	705,948	302,590.52	42.9%	403,357.48

⁵ **10000 EU funding +752 Internal funding

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Finally we provide, below, a tabular overview of budgeted person-months and actual person-months, by contractor and by workpackage. The budgeted person-months are taken from Annex I to the contract. For AC contractors, in addition we estimate the number of person-months of permanent staff working on the project..

Person-Month Status Table																				
Contract N.:		IST-2004-2012																		
Acronym		CoCombine		Partner - Person Month per Workpackage												AC Own Staff				
Period 1st Year January 2004-December 2005				Totals	DAE	SNF	FEUNL	UNIMANN	UNICA	IEESE	Analysys	LINX	MIX	Lear	AC Totals	AC DAE	AC FEUNL	AC UNIMANN	AC UNICA	AC IEESE
Workpackage 1: "Internet Connectivity"	Actual WP total:	18.76	9.76			7				0.36	0.7	0.64		0.7	0.5		0.2			
	Planned WP total:	30.5	20			7				1.5	1	1								
Workpackage 2: "Broadband Impact"	Actual WP total:	12.05			7.05		5							4		2		2		
	Planned WP total:	34			24		10													
Workpackage 3: 3 "Complementarities Access and Contents "	Actual WP total:	5.4		5.4	0															
	Planned WP total:	22		10	12															
Workpackage 4: "Policy"	Actual WP total:	23.5	0						5.5				18							
	Planned WP total:	41	1						11				29							
Workpackage 5: "Management and Dissemination"	Actual WP total:	4.57	4.14						0.43					0.93	0.5				0.43	
	Planned WP total:	14	8	1	1		1	1				2								
Total Project Person-month	Actual total:	63.98	13.9	5.4	7.05	7	5	5.93	0.36	0.7	0.64	18	5.63	1	2	0.2	2		0.43	
	Planned total:	141.5	29	11	37	7	11	12	1.5	1	1	31								