

The committee on incorporation met at the XYZ restaurant on Dec. 11, 2007.

Present: Jay Bass, Michael Brown, Adam Dziewonski, Richard Hooper, Louise Kellogg, Meghan Miller, David Simpson.

Not present: Guy Masters

Synopsis The committee discussed various aspects of the pros and cons, for and against incorporation. The committee's recommendation is for COMPRES not to incorporate at this time, but to revisit the issue periodically as the organization evolves. The full recommendation is given below.

Pros: Reasons to incorporate.

- COMPRES would be independent and not tied to any host institution. This would portray an image of objectivity in serving the community, hopefully removing any possible conflicts of interest. It is important that COMPRES appear democratic and independent in deciding how funds and facilities are utilized. This was important to IRIS, inasmuch as the community did not want all seismic data being controlled by a host institution. An independent corporation can be important in getting the community to buy into the consortium concept. This is important not only when building initial community support, but for maintaining that support in the long run. The IRIS founders evaluated the Joint Oceanographic Institutions and NCAR incorporation models when setting up IRIS. NEES (Network for Earthquake Engineering Simulation) is a good example of why the host institution model is to be avoided.
- If COMPRES obtains funding from multiple agencies, as CUAHSI does, then it may be advantageous to incorporate. A billing structure would need to be in place to assign time and expenses to different agencies. Funding from two federal government sources, such as NSF and DOE funding GSECARS, would not necessarily make incorporation worthwhile. However, funding through non-governmental sources might make incorporation an advantage.
- The consortium could be in a location where it is advantageous to do business, and to promote their activities to funding agencies (e.g., Washington DC). Location is important for CUAHSI and IRIS.

Cons: Reasons not to incorporate.

1) Expense. Incorporating is not necessarily expensive, but setting up a corporate structure is. A lawyer can set up the corporation for a fixed fee. While this is a one-time expense, there are recurring costs. A formal business staff is needed. In particular, the consortium would need a comptroller to keep the books. Auditing requirements are getting more and more stringent. Office space, which is normally provided free by a home institution, would need to be rented.

The overhead normally paid to a host University would be available to the consortium to offset these costs. An analysis would need to be done to determine the net loss to the consortium.

2) Time: Incorporation will likely take an enormous amount of time, both to plan and complete.

Other possible models: It may be possible for the consortium to be an off-campus satellite organization. Perhaps the office of sponsored research would agree to manage the grant for COMPRES as an independent organization. CIG may be working under this model or something similar.

Conclusions:

- The committee saw no compelling reason for COMPRES to incorporate at this time.
- COMPRES should reevaluate the incorporation issue periodically, especially if one or more of the following changes occur:
 - 1) There is an increase in its scientific advising or lobbying activities in Washington DC.
 - 2) If COMPRES obtains funding from multiple agencies, particularly non-federal-governmental agencies. At present, all COMPRES funding is from the NSF EAR division.
 - 3) The COMPRES constituency requests that the organization not be tied to a home institution. With more will and leadership in the community, particularly by the younger constituency, COMPRES might be more viable in the long run as an independent corporation.