

Evidence: ICC 2007 is grossly overpriced in both absolute and relative terms¹

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Preamble

The registration fees for ICC 2007 are quite evidently much higher than those of almost identical events, whether organised in the US or Europe. Taking as basis the early "Limited ComSoc member rate", the following differences are observed:

Event	Posted price	Price in US\$	ICC07 diff
ICC06(Istanbul, TK)	US\$ 640	640	150%
Globecom06 (SF, US)	US\$ 580	580	167%
ICC07 (Glasgow, UK)	GBP 495	965	100%
Globecom07 (DC, US)	US\$608	\$608	160%

Arguments that have been provided seeking to explain the substantial price discrepancy between ICC07 and its sister events, include:

- (i) the loss of value of the US dollar, and
- (ii) the geographic relativity of the prices

Below we consider those arguments to the light of reasonably reliable relevant information including :

- (a) historical exchange rate information
- (b) cost of living information
- (c) International cost differences in the "hospitality industry"
- (d) trans-Atlantic salary differences

The evidence indicates that the ICC-2007 registration fees are indeed grossly over-priced.

Exchange rate between US and UK currency

Glasgow was chosen as the host of ICC07 some 4 years ago. It has been suggested that changes in the US/UK currency exchange rate can explain the enormous difference in the registration fees of ICC07 relative to almost identical events.

According to historical exchange rate information (available, for example at <http://www.x-rates.com>) in early February of 2003, one GBP was worth about 1.65 US\$. As of 1-Feb 2007 one GBP is worth about US\$ 1.95. The 4-year difference is of the order of 18 percent. Thus, a loss of value of the US dollar of about 18% vs the GBP cannot explain a difference in registration fees of the order of 200%. That is, even if GBP could be bought at the 2003 exchange rate in order to pay the ICC 2007 registration fees, still the ICC07 registration would be substantially overpriced vs. 3 recent equivalent events.

¹This material represents the individual position of the author only, *not* that of his employer or associates.

Cost of living information

A much better index to assess cross-country price differences (to compare “apples to apples”) is the cost of living (COL) index. Exchange rates alone are of very limited value, and the COL already includes any exchange rate effects. The web-page: <http://www.finfacts.ie/costofliving.htm> reports on COL indices computed by "Mercer Human Resource Consulting". They use New York City prices as the base line (100) and compute COL indices for 144 cities around the world. A COL index of 90 means that in that location a representative "bundle" of items cost 90% of what it would cost in NYC (in a common currency).

City	COL index	Glasgow vs city
Istanbul	93.1	87%
San Francisco	85	95%
Glasgow	80.7	—
Wash., DC	77	105%

When viewed to the light of the COL indices, the ICC07 fees prices are revealed as outrageous.

The Glasgow index of 80.7 is actually LOWER than that of SF and Istanbul, and is only very marginally higher(5%) than that of DC. (Remember that the COL already includes any exchange rate effect). In other words, the ICC07 fees should have been lower than most others. Instead they ended up being 150% or more than the others.

It remains a true mystery how IEEE/ComSoc can move an event to a LESS expensive city and find it necessary to actually INCREASE the registration fees in a range of 50 to 100 percent (in the cheaper city).

Hospitality industry costs

One could argue that the COL index is "too general" for our purposes. The primary local "input" used by an event as ICC is "floor space" in a hotel or exhibition hall. It could be argued that for some strange reason the "hospitality industry" costs in Glasgow could be much higher than they are in SF, DC and Istanbul (even if Glasgow's general COL is lower). The argument is not altogether implausible.

Conference/meeting room rates are not readily available. However, hotel rooms rates are. It seems reasonable that meeting room rates and hotel rooms rates be correlated in the following sense. If some factors make conference rooms rates about 30% higher in city A than they are in B, quite likely the same factors would make ordinary hotel rooms roughly 30% more expensive in A than B. Conversely, if hotel rooms are roughly equally priced in A and B, quite likely meeting/conference rooms will be roughly equally priced in A and B.

It turns out that Hilton, a reputable hotel chain, has downtown hotels in all cities of interest. <http://www.hilton.com/> provides the following rate information, during periods similar to when the given conference takes or took place.

City	Hilton A	Hilton B	Ave	Glasgow vs.
Istanbul	EU240(\$312)	EU175(\$228)	\$270	75%
San Francisco	\$214	\$184	\$199	102%
Glasgow	GBP119(\$232)	GBP88(U\$172)	\$202	—
Wash., DC	\$296	\$249	\$273	74%

The above information points in the same direction as the COL index. Glasgow's hospitality industry costs are among the lowest of the considered cities (essentially tied with SF), and about 3/4 of those of Istanbul and the DC. Thus, ICC07 fees should have been *lowered* (not *raised* 150% or more).

Registration fees relative to salaries

It has been suggested that the basic member fee of 570 Pounds is equivalent to a European to what a U.S. member paid at Globecom 2006 in San Francisco.

A reasonable way to test the statement is by putting the registration fees as a percentage of a relevant salary figures.

To do this, we take a representative UK salary figure for a lecturer (national scale, see:

http://www.hero.ac.uk/uk/inside_he/salary_scales135.cfm).

The scale has several "spine points", and a "London allowance". GBP27,000 appears to be a reasonable representative value.

The US has no such "national salary scale" for academics. However some reliable information can be found at <http://chronicle.com/stats/aaup/> . This suggests that a figure of US\$70 000 is reasonable for an engineering Asst. Prof. (this is for a 10 month contract).

On this basis, we can put registration fees in relative terms. The GBP495 fee is roughly the equivalent to 1.8% of the representative yearly UK Lecturer salary.

By comparison, the US\$580 San Francisco registration fee is only about 0.8% (8 tenth of one percent) of the US Asst. Prof. 10-month salary (and only about 0.7% of a yearly salary, if adjusted for summer income).

Therefore, IEEE/ComSoc Glasgow's fees are actually over 200% those of SF, relative to academic salaries in the respective regions.

Conclusion

ICC 2007 registration fees have been examined to the light of reasonably reliable information, including historical exchange rate information, cost of living, "hospitality industry" costs, and trans-Atlantic salary differences. The evidence indicates clearly that the ICC-2007 registration was indeed grossly over-priced (by 150% or more).

A first version of this document was made public in mid February 2007, and sent to appropriate ComSoc officers, months before ICC-07 took place. A request for corrective measures was publicly made. No correction was ever made, nor any official answer ever given.