



STRATEGIC OPERATING PLAN OF THE INTERNET SOCIETY

PART II

2006 Programs and Budget

ISOC 2006 Programs, Projects and Budget

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INTRODUCTION

ISOC's Strategic Operating Plan

The Strategic Operating Plan of the Internet Society is divided into two sections:

Part I – Strategy

This section was approved by the ISOC Board in mid 2005, after consultation with many individuals both inside and outside the organization. This document will, by and large, not change often as it focuses on the mission and purposes of the Internet Society and takes a high level strategic view. It can be found at: <http://www.isoc.org/isoc/SOP.pdf>.

Part II – Programs and Budget – 2006

This section serves as the annual operating plan and budget for the Internet Society and will be updated on an annual basis. It was also developed in consultation with individuals from across our community to ensure our budget and activities meet the goals and purpose of ISOC while reflecting needs seen by our members.

Part I – Strategy includes « Our Vision » and it is helpful to repeat it here as this is the basis for our programs and activities :

ISOC's Vision

The Internet Society believes that *the Internet is for everyone.*

From its inception the purpose of the Internet Society has been to promote the open development, evolution, and use of the Internet for the benefit of all people throughout the world.

We envision a future in which people in all parts of the world can use the Internet to improve their quality of life because standards, technologies, business practices, and government policies sustain an open and universally accessible platform for innovation, creativity, and economic opportunity.

Complementing this vision of the future is our vision of the Internet Society's role in creating it: *As the hub of a global network of individuals and organizations, the Internet Society is an effective advocate for the core values of an open and accessible Internet.*

2006 – A Pivotal Year for ISOC

2006 promises to be a pivotal and very exciting year for ISOC as we move forward to build on our achievements of the past 12 months. In the area of Internet standards, ISOC along with the Internet Engineering Task Force and the (IETF) Administrative Oversight Committee (IAOC) completed the final elements of the IETF's administrative restructuring at the end of 2005. This strengthened the relationship between ISOC and the IETF, and will allow both organizations to leverage our respective competencies to even greater benefit for the Internet. In the area of

Public Policy, ISOC continued to play a valuable and increasingly visible role in the World Summit on Information Society (WSIS) as well as in the Working Group on Internet Governance (WGIG) activities. Our strong showing there has brought increased recognition and support for our mission and has given us excellent access to policy decision makers and many other critical organizations across the world.

In addition, the Public Interest Registry (PIR), the home of the .ORG Top Level Domain continues to contribute significantly to ISOC and this has allowed us to significantly increase many of our activities, particularly in the area of education and capacity building. ISOC's ccTLD workshops, for example, represent just one of the initiatives made possible.

We are excited about building on our accomplishments and working with our members, chapters and partners to further leverage our vision and fulfill our purpose. ISOC now has the strongest base in its history, and this is an excellent platform from which to significantly increase our support of open standards - largely through the IETF, as well as our education, capacity building and policy activities as we prepare to even more actively support the society's vision.

We look forward to 2006, and to working together with our members, chapters and partners as we all work to set ISOC on a significantly expanded and vibrant path.

Part II - Programs and Budget

The purpose of Part II – Programs and Budget - is to further define and document our tangible commitment to realizing ISOC's vision. As such, individual sections on IETF, Membership, Policy, Education, etc. follow in this document, and the Budget follows those sections. However, there are a few new and significant growth areas covered in the document that I'd like to call attention to and these are called out here:

- IETF - ISOC and IETF are now even more closely linked with the formalization of the new IETF Administrative Support Activities structure (IASA) within ISOC. See RFC 4071, at <ftp://ftp.rfc-editor.org/in-notes/rfc4071.txt> for more details on this structure as well as the IETF section in this document.
- MEMBERSHIP - we are expanding our efforts in all areas of membership. We will bring additional resources into organization, individual and chapter membership, as well as rolling out new initiatives in Policy and Education in support of strengthening our member activities and member involvement – locally and globally.
- POLICY – we are building on our very successful World Summit on Information Society (WSIS) and Internet Governance efforts. For information see: <http://www.isoc.org/isoc/conferences/wsisis/index.shtml>. Supporting efforts will include Regional Policy Advisory Groups and a new pilot for a Regional Bureau to aid in regionalizing and globalizing our Education, Policy and Chapter/Member activities (see Policy section for more detail on these initiatives),
- COMMUNICATIONS - a new department to center all our Communications activities (publications, press, editing/technical writing, etc.) as well as new communication applications, better use of the website and web applications, etc. These efforts will be integrated and leveraged as much as possible across all our activities (see Communications section).

- EDUCATION – we are continuing the expansion of our Educational activities, in both the technical and policy arenas. Working in partnership with our members, chapters, organization members, and various educational organizations, we expect to develop materials to help in our Capacity Building and Technical Awareness efforts at all levels, including developing a much broader and more effective reach.
- INFRASTRUCTURE - and finally, but not least, we will be making significant investments in upgrading our current web site and member and web applications to better support all our activities.

Following are more detailed submissions for all major areas.

- Internet Engineering Task Force (IETF) and IETF Administrative Support Activities (IASA)
- Public Policy
- Education
- Communications
- Individual Members and Chapters
- Organization Members

For reference, the table below shows how our major activities are rolled up in our pillars.

‘PILLAR’ ACTIVITY SCHEDULE

Orgs. & ISOC Standards support	IASA	Education	Policy	Chapters and Members
Org. Member support	IETF/IASA Support	Workshops/Confs. NOG's, ccTLD's	Policy Briefings & Publications	Chapter Support
Fundraising	RFC Editor	NDSS	WSIS, IGF, etc.	IM Support
ISOC's IETF Support	IAD	ISOC Workshop Portal	Regional Policy Advisory Groups	Member/Chapter Outreach
IETF Journal	IETF Trust	Technical Briefings	Policy Forums	Project Funding
IETF 20th Anniv.	Discretionary Funds IAB/ IETF	Regional Bureaus	Regional Bureaus	Regional Bureaus
		SEINIT	Internet Governance Follow-on activities	

SECTION 2:

Internet Engineering Task Force (IETF) & IETF Administrative Support Activities (IASA)

Submitted by Lucy Lynch (IAOC Chair) & Ray Pelletier (IAD)

This document is intended to discuss the IETF Budget for FY06, and the projected budgets for FY07 and FY08, including as appropriate, assumptions, historical data and strategies going forward, so as to provide the ISOC Board the rationale for the first budget recommended by the IAOC.

Revenues

The sources of IASA revenues are set out in RFC 4071:

1. IETF meeting revenues;
2. Designated donations to ISOC (both monetary and in-kind);
3. Other ISOC support.

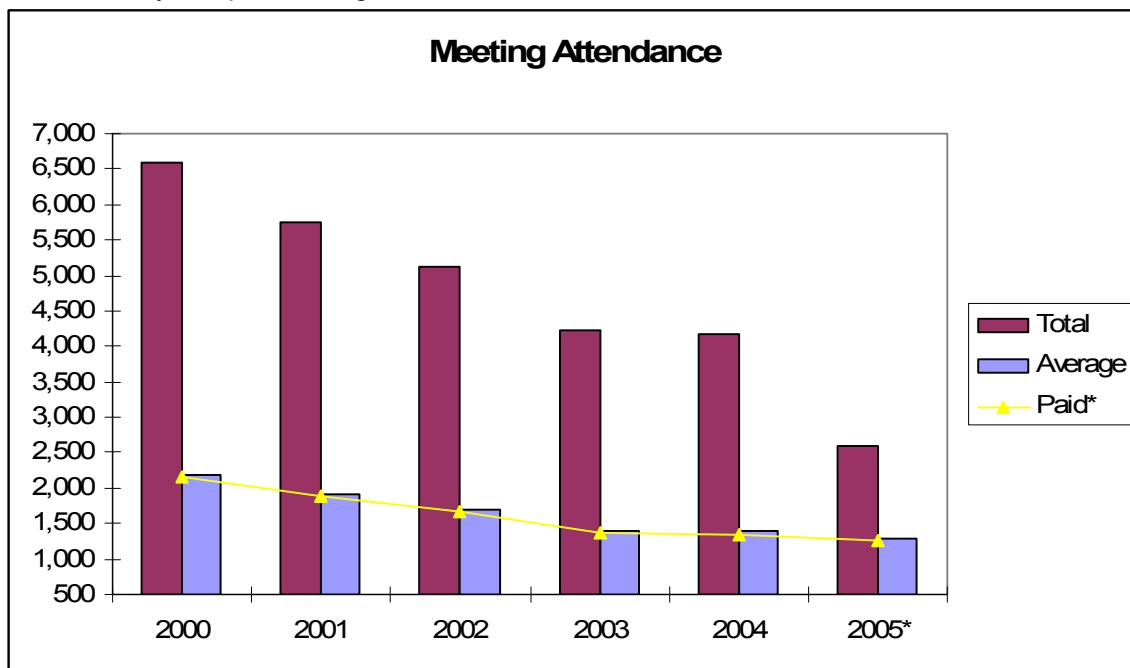
IETF Meeting Revenues

The IETF expects to conduct 3 meetings per year for each of the next three fiscal years.

Meeting revenues include funds generated from paid attendance, sponsorships – cash and in-kind – and hotel rebates.

Paid attendance

Attendance has been trending downward over the last six years. This year's attendance thus far is down nearly 100 per meeting over 2004.



IETF Meeting Attendance						
	2000	2001	2002	2003	2004	2005*
Total	6,585	5,739	5,111	4,216	4,161	2,587
Average	2,195	1,913	1,704	1,405	1,387	1,294
Paid*	2,162	1,880	1,671	1,372	1,354	1,261

2005*: Two meetings

Paid*: Foretec advises that 25 to 40 “comps” should be subtracted from the attendance to determine paid attendance. Paid* therefore deducts 33 from the number of attendees.

The Budget assumes the following conservative numbers for Paid Attendance:

	2006	2007	2008
Paid Attendees	1,250	1,300	1,350

Increases in attendance of approximately 4% reflect belief that the 2006 transition year will reflect a community response to improvements at meetings, RFC Editor publishing throughput improvements, increased communications with community, e.g., ISOC’s IETF Journal and IASA Surveys, tool improvements and improvements in the operation of the IETF generally.

Meeting Fees History

Meeting fees have historically been set after consultation between the Secretariat and IETF leadership.

In 2005 fees were \$500 for pre-registration and \$650 for on-site and late registration – the same rates since summer 2003 for IETF 56.

For IETF 51 through 55, fees were \$425 for US meetings (except Salt Lake City, IETF 52, at \$400) and \$450 for overseas venues. Late registrations also had a \$150 surcharge.

A more detailed view of fees can be found in the IETF Registration Attendance and Fee History table following.

IETF Registration Attendance and Fee History						
	Meeting		Location	Attendees	Pre-Reg Fee	On-Site Reg Fee
1	Spring 2000	47	Adelaide, Australia	1431	375	475
2	Summer 2000	48	Pittsburgh, PA	2344	350	500
3	Fall 2000	49	San Diego, CA	2810	350	500
				<u>6585</u>		
4	Spring 2001	50	Minneapolis, MN	1822	350	500
5	Summer 2001	51	London, England	2226	450	600
6	Fall 2001	52	Salt Lake City, UT	1691	400	550
				<u>5739</u>		
7	Spring 2002	53	Minneapolis, MN	1656	425	575
8	Summer 2002	54	Yokohama, Japan	1885	450	600
9	Fall 2002	55	Atlanta, GA	1570	425	575
				<u>5111</u>		
10	Spring 2003	56	San Francisco, CA	1679	425	575
11	Summer 2003	57	Vienna, Austria	1304	500	650
12	Fall 2003	58	Minneapolis, MN	1233	500	650
				<u>4216</u>		
13	Spring 2004	59	Seoul, South Korea	1390	500	650
14	Summer 2004	60	San Diego, CA	1460	500	650
15	Fall 2004	61	Washington, DC	1311	500	650
				<u>4161</u>		
16	Spring 2005	62	Minneapolis, MN	1133	500	650
17	Summer 2005	63	Paris, France	1454	500	650
18	Fall 2005	64	Vancouver, Canada		500	650
				<u>2587</u>		

NB Foretec advises to subtract 25-40 "comps" from attendees to ID paid attendees

The IAOC has agreed to increase meeting fees by 10% to \$550 to increase the IETF contribution towards the increased cost of performing IETF business.

IETF Meeting Fee Revenues

Revenues derived from paid attendance are therefore anticipated as follows:

	2006	2007	2008
Fees	\$2,062,500	\$2,145,000	\$2,227,500

Meeting Sponsorships

Historical data for sponsorships (cash and in-kind) has been unavailable.

The IAOC believes that a sponsorship program targeted at smaller companies not normally provided an opportunity to sponsor IETF meetings and developed with ISOC could produce the following results:

	2006	2007	2008
Sponsorship	\$ 100,000	\$ 125,000	\$ 150,000

Hotel Rebates

Hotel rebates are the byproduct of the IETF meeting its contractual targets with the hotel for room nights. Historical data from 2004 reflects on average \$60,000 per meeting for \$180,000 for the year. Hotel contract negotiations have been with Foretec and will, it is expected, move to NeuStar Secretariat Services; that, together with only slight changes in attendance in the out years and in the interest of being conservative until we have more experience in 2006, has led to an estimate of \$150,000 per year in hotel rebates for the next three years..

ISOC Contribution

ISOC has been supporting the IETF since 1992. Traditionally, ISOC has contributed funds for the RFC Editor, IETF Chair Discretionary Funds, Funds for IAB and Insurance.

	2002	2003	2004	2005
ISOC	\$550,881	\$614,679	\$655,358	\$900,704

For the IASA transition in 2005 ISOC committed to contribute in excess of \$400,000 in additional funds for, among other things, legal, tools, finance and salaries.

The ISOC contribution for FY06 – FY08 is projected as follows:

	FY05	FY06	FY07	FY08
ISOC Contribution	\$ 1,370,000	\$ 1,498,918	\$1,194,806	\$ 1,263,350

The FY06 increase of 9.4% reflects the increase in expenses not absorbed by meeting-related revenues. The expenses are discussed below. A 20% decrease in ISOC contributions is projected for FY07 to reflect savings in programmatic expenses such as the RFC Editor which services in FY07 and thereafter will be under contract pursuant to a competitive RFP. FY08 shows an uptick of almost 6%.

Expenses

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Programmatic expenses include RFC Editor, Secretariat and Meeting and expenses associated with the IETF Trust.

RFC Editor

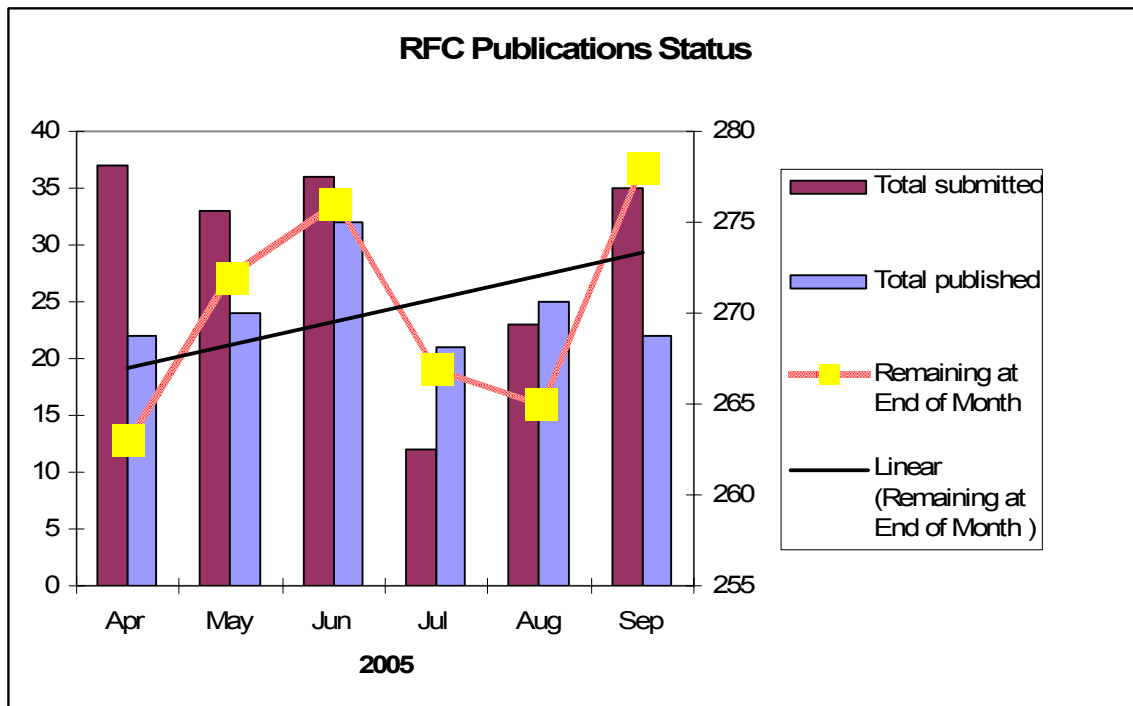
The RFC Editor, housed at USC’s ISI, has received the following funding from ISOC in the past:

	2002	2003	2004	2005
RFC Editor	\$462,368	\$516,460	\$602,907	\$753,151

In November 2004 the ISOC budget noted that the RFC Editor “802” Plan (named after the cost) rated output projection at 35/month, and with an input rate at 28/month, the Plan would lead to a reduction in the backlog, but “at current trajectory, plan would still leave RFC Editor with a backlog at end of 2005.”

As a result of losing 2 fulltime employees at the beginning of FY05, a prolonged replacement hiring period and a ramp-up of the new employees, the RFC editor has not been able to reach the target of 35 per month.

Data from the last 6 months demonstrate the current state:



Monthly RFC Editor Statistics	Apr	May	Jun	Jul	Aug	Sep
Total submitted	37	33	36	12	23	35
Total published	22	24	32	21	25	22
Remaining at End of Month	263	272	276	267	265	278

Following Paris the RFC Editor has brought two temps onboard to increase its productivity. An IAOC initiative to eliminate the backlog in FY06 will be discussed below.

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The RFC Editor budget for the next FY is:

	FY06
RFC Editor	\$ 881,584

FY06 reflects an increase of almost 17% over FY05. The increase is attributable to a change in manpower from 4 fulltime to 5 fulltime. However, the number of personnel directly contributing to the editing process will increase by 2 as a position is converted from project assistant to copy editor.

Secretariat and Meeting Expenses

Historical data exists, however, it is un-audited, or reflects budget estimates by the incumbent and lacks such transparency as to provide little confidence in it. It is included to reflect an order of magnitude.

	2001	2002	2003	2004 Budget	2005 Budget
Foretec	\$2,574,489	\$2,515,983	\$2,201,951	\$1,938,104	\$2,120,909

Negotiations are ongoing with NeuStar as the commercial entity acquiring Foretec from CNRI.

The IAOC anticipates a contract with NeuStar Secretariat Services for \$2,000,000 in FY 06 and an increase of 5% in 2007. An RFP, or multiple RFPs, will be issued in 2007 for the services performed by NSS. FY08 expenses reflect an additional 5% increase over FY07.

IETF Trust

This is a new addition to the IETF budget. The estimates take into account expenses associated with establishing a 501(c) (3) during FY06 and administrative expenses for FY07 and FY08.

	FY06	FY07	FY08
IETF Trust	\$ 25,000	\$ 5,000	\$ 5,000

Special Projects

Short Term Contracts

RFC Editor Backlog Elimination Program

This is a new program designed to cost effectively accelerate elimination of the RFC Editor backlog. The program is funded for 1 fulltime copy editor for 6 months in 2006.

An experienced and RFC Editor approved copy editor has agreed in principle to a 6 month consulting contract at almost 50% of the cost of a like person working at ISI. Under the contract it is expected that the copy editor will deliver up to 30 edited RFCs per month (at the average length of 30 pages each). The program will cost \$35,000 for the 6 months, \$68,000, if necessary, for 12 months..

The program began October 17th and runs through the balance of 2005. The individual is an independent contractor under contract with IASA-ISOC for that period with an option to extend in FY06.

IETF Administrative Support Proof of Concept Trial

The IAOC expects to engage in short term contracts from time to time in order to solve discreet problems or to provide proof of concept for new services before establishing on-going contracts. An example of the former would be hiring a copy editor to deal with the RCF backlog and an example of the latter might involve providing administrative support to Area Directors in order to improve the efficiency and through-put of the standards process. A proposal for just such a proof of concept program is under development within the IESG and will be considered by the IAOC when received.

The future of any such programs will be dependent upon their success. If successful, these programs may then be rolled into on-going contract responsibilities with a concomitant impact on those budgets or may be otherwise provided for.

It is expected that the IETF will require Special Project short-term contract funding going forward to resolve particular issues and to evaluate alternative service mechanisms. Funds are therefore being reserved for such short term problem solving efforts and proof of concept proposals.

Tools

The annual \$100,000 expense will be used to develop programs implementing Tool Team prototypes benefiting the IETF Technical Standards Process. It is not intended to be used for internal Secretariat processes.

Administrative Expenses

Bank/Credit Card Fee expenses is a new administrative expense and reflects the transfer of responsibility for the collection of meeting registration fees from Foretec to IASA. The expense is based upon historical data with slight upward adjustments in the out-years to reflect anticipated meeting attendance.

Salaries and related expenses reflect an annual 8% increase.

The IAB "Discretionary" increase is in support of an IAB retreat and discretionary funds of \$5,000.

Other administrative expenses are held steady for FY06 and increased 5% or 10% for FY07 and FY08.

IETF Budget FY06 - FY08									10/20/2005
1	Revenues	FY05		FY06		FY07		FY08	1
2	Meetings	\$ 2,048,000	13%	\$ 2,312,500	5%	\$ 2,420,000	4%	\$ 2,527,500	2
3	ISOC Contribution	\$ 1,370,000	9.4%	\$ 1,498,918	20.3%	\$ 1,194,806	5.7%	\$ 1,263,350	3
4	Total Revenues	\$ 3,418,000	12%	\$ 3,811,418	-5%	\$ 3,614,806	5%	\$ 3,790,850	4
5									5
6	Expenses	FY05		FY06		FY07		FY08	6
7	Programmatic								7
8	RFC Editor	\$ 802,000	17%	\$ 935,121	-33%	\$ 626,531	5%	\$ 657,858	8
9	Secretariat & Meeting	\$ 2,120,909		\$ 2,000,000		\$ 2,100,000		\$ 2,205,000	9
10	IETF Trust			\$ 25,000		\$ 5,000		\$ 5,000	10
11	Special Projects								11
12	Short Term Contracts			\$ 200,000		\$ 200,000		\$ 200,000	12
13	Tools	\$ 100,000		\$ 100,000		\$ 100,000		\$ 100,000	13
14									14
15	Administration								15
16	Salaries & Related Expenses	\$ 171,600	8%	\$ 185,000	8%	\$ 199,800	8%	\$ 215,784	16
17	Travel, Phone, Misc	\$ 40,000		\$ 40,000	10%	\$ 44,000	10%	\$ 48,400	17
18	Office, Insurance	\$ 28,000		\$ 28,000	10%	\$ 30,800	10%	\$ 33,880	18
19	IETF Discretionary	\$ 50,000		\$ 50,000	10%	\$ 55,000	10%	\$ 60,500	19
20	IAB Discretionary	\$ 34,000	28%	\$ 43,500	5%	\$ 45,675	5%	\$ 47,959	20
21	Legal	\$ 25,000		\$ 25,000	10%	\$ 27,500	10%	\$ 30,250	21
22	Finance	\$ 15,000	-67%	\$ 5,000	10%	\$ 5,500	10%	\$ 6,050	22
23	Banks/Credit Card Fees			\$ 67,934		\$ 70,000		\$ 70,000	23
24	ISOC G&A			\$ 106,863		\$ 105,000		\$ 110,170	24
25	Restructuring: Trans Exp								25
26	Legal & Finance	\$ 40,000							26
27	Total Expenses	\$ 3,426,509		\$ 3,811,418		\$ 3,614,806		\$ 3,790,850	27

NOTE: 2006 RFC Editor budget later adjusted to \$882K.

SECTION 3:

PUBLIC POLICY PROGRAMS

Submitted by Matthew Shears

The Internet Society's Public Policy focus for 2006 and beyond will be, first and foremost, the broad area of Internet Governance, for this is where there is the greatest need to safeguard and promote the interests of ISOC, the I*Community and the internet end-user in accordance with the goals of the Strategic Operating Plan. ISOC Public Policy proposes to do so through emphasizing education and advocacy in a global, yet regionally focused approach, and through establishing ISOC as a "best source" for Internet policy and a "Trusted Advisor" in terms of its relationships with policy makers and influencers.

The public policy programs build upon the Strategic Operating Plan and have as an aim the realization of our public policy goals, which are: to adopt, assert, and actively defend policy positions consistent with mission and core values; and, to promote awareness of public policy issues and activities that affect the Internet.

Public Policy Programs for 2006 will be implemented in the following ways:

- 1 - Renewing/reinforcing our focus on Public Policy education and advocacy in key areas, including
 - Substantiating, globalizing and advocating the "Abilities"
 - Continuing to address current and future policy concerns
- 2- Establishing ISOC in a leadership position in Internet Governance
 - Driving the Internet Governance debate – ISOC has a unique opportunity to take a leadership role in the governance debate
- 3 - Regionalizing and globalizing public policy through pilot Regional and Global Policy Advisory Groups and Regional Bureaus
 - ISOC Policy Advisory Groups will be central to globalizing ISOC's policy programs
 - ISOC Regional Bureaus (with focus on education and chapter/member activities in regions as well). Will act as focal points for each of our pillar activities in those regions
- 4 – Enhancing and Strengthening the Public Policy team.
 - In order to fully and successfully implement the Policy programs for 2006 an additional Public Policy resource will be required – a Public Policy Manager position is recommended.
- 5 - Developing policy tools to realize the "best source" approach to Internet policy and to support the above
 - Policy Portal, including an influencer database, with a focus on Governance issues and concerns, and regionalized to support Regional Bureaus, etc.

1. Public Policy Education and Advocacy

“Educate first, advocate second”

a. Public Policy education and advocacy

ISOC’s Public Policy activities will contribute to realizing and building upon ISOC’s Vision, Mission and Core Values. The Public Policy pillar will promote, support and defend the six “Abilities” as outlined in the Strategic Operating Plan through a series of activities, most notably in the area of Internet Governance.

The Public Policy pillar will continue to address policy issues as they arise depending on priority and relevance to ISOC’s core goals and Mission. Globalizing, substantiating and promoting the Abilities will be a central focus for the Public Policy Team.

The Policy Portal (described below) will be a major tool for ISOC’s Public Policy education and advocacy activities.

b. Other education/advocacy related programs

These include (in cooperation with the education pillar):

AfriNIC
ccTLD workshops
Internationalizing the Net (IDN Africa)

2. ISOC in a leadership position in the Internet Governance debate

Internet Governance is not just about Internet resources, but covers a range of other issues that are of concern to policy-makers and to Internet users around the world, including spam, security, capacity building, connectivity, and many more, all of which have great relevance to the Internet Society and its Mission, and all of which fall within the scope of our Public Policy goals as defined by the “Abilities”.

Comprises:

- Internet Governance
- Positioning ISOC in a leadership role
- WSIS follow-up – Forum, ITU plenipot, etc.
- Governance activities such as Roundtables/workshops (INETs) – A KEY FOCUS

Unfortunately, WSIS will not be the end of the debate and discussion around Internet Governance and the WSIS legacy is likely to be a continued focus on governance for the foreseeable future.

At the same time this presents an opportunity for ISOC for it to define the governance space and to solidify its position as a major contributor to the discussion as it leverages the reputation it built in the WSIS process and elsewhere.

ISOC must have a say, so that it can continue to safeguard and promote the interests of the I*Community and the Internet community in its broadest sense, and therefore must have a role. As mentioned above this will be the most significant policy focus area for 2006.

In discussions with members of the I*Community, and the Internet Collaboration Committee, significant interest has been expressed by them in ISOC taking a leadership role in the Internet Governance area. We are evaluating where else we might play a role on behalf of this community – perhaps in extending/further leveraging all our Education activities. There have also been offers to help with funding but this has not been included in the budget to-date.

We cannot foresee what might result from the WSIS Summit. It may well be a Forum of some sorts and it will be critical that ISOC have a major role in that forum as it evolves. Therefore a portion of the budget will be spent on ensuring ISOC's continued role in WSIS follow-up. Significant funding will be used on participation in related meetings, tailored educational and advocacy materials, etc. In addition, 2006 will be the year of the ITU with its plenipotentiary meeting in November, where there is no doubt that Internet Governance will be on the agenda. It is also clear that the ITU will be even more active in the year to come and we need to get ahead of their agenda and be as proactive as possible, on ISOC's behalf, as well as the I* Community.

At the same time ISOC will be implementing its own Internet governance education and advocacy programs, helping to drive the governance discussion through :

- specific policy-maker roundtables (focused INETs – we foresee min. 4 of these during 2006, most likely in conjunction with other planned events),
- technology policy webcasts,
- engaging with policy makers in a “trusted advisor” think-tank capacity, etc.
- creation of Policy Primers focused at the Ministerial level with a focus on those concerns that arose from the WSIS process. These would be linked to the Policy Portal for additional information, ISOC ‘broadcasts ‘ of experts “live” or recorded, FAQ's, “how to” approaches, accepted best practices, etc.
- the proposed Regional Bureaus and the Policy Portal (with a dedicated section on Internet Governance to provide additional support to ISOC's activities and leadership.

The focus of these activities will be on clarifying the roles and responsibilities of the players in the Internet Community, identifying how governments can participate, particularly from developing nations, and taking a look at the fundamentals such as: where technology and policy meet in the governance space; IPv6 transition; names, numbers and roots, etc. These will be worked across and through communities beyond the Internet world – such as business, users, etc., - to maximize effectiveness and reach.

In addition, the policy pillar will actively work to ensure greater participation in the ongoing governance debate by Chapters and org members.

The WSIS Internet governance discussions, while contentious and worrying, have provided a unique opportunity for ISOC to reinforce its role at the center of Internet policy matters and establish itself in a leadership position in the Governance debate itself.

3. Regionalizing and globalizing Public Policy

Central to the success of ISOC's Public Policy, and central to realizing ISOC's Core Values, will be regionalization and globalization. This is a necessity and addresses a number of opportunities, such as:

- Ensuring that ISOC speaks with a global voice and that its policies are reflective of its global aspirations
- Driving greater added value for ISOC across the globe and particularly in developing countries, where ISOC has had considerable success with its education programs
- Supporting Internet governance (a key focus area) in related discussions around the globe, particularly in the developing world.

a. Regional Policy Advisory Groups (RPAGs)

The Regional Policy Advisory Groups will have as purpose to, inter alia, advocate ISOC and Internet Community policy positions within region, to educate influencers with regard to Internet Governance matters, technology policy and its development role, to influence key (prioritized) policy initiatives, to mobilize ISOC chapter and member resources, to “globalize” ISOC Public Policy and, IMPORTANTLY, support/work with the Regional Bureau resource.

These Advisory Groups will be constituted on a voluntary basis in Europe, North America, Latin America, Africa, and AsiaPac. The Advisory Groups will comprise ISOC (Chapter) members as well as other Individuals, who hold policy leadership roles in the region, as well as representatives of the business community and Civil Society. The Advisory Group will be led by a Coordinator appointed by ISOC and that individual and ISOC’s Director of Public Policy will approve all further appointments, and both the Regional Bureau representative (if there is one) and the ISOC Policy Director will be members. The Advisory Group will leverage ISOC chapters and membership, the Internet Community and use existing structures such as coordinating councils as much as is possible.

b. The Global Policy Council (GPC)

The GPC will be led by ISOC’s Public Policy Director and will comprise the Policy Advisory Group coordinators, ISOC’s internet collaboration colleagues and ISOC’s CEO, VP Public Policy, the IETF and IAB Chairs and interested ISOC Board members.

c. Regional Bureaus (1 initially, then later expanded as pilot is proven/funds are found):

(NOTE: this is not just a policy pillar activity and it is expected that the Bureaus will support all 3 pillars and therefore the funding of the position will be borne by the 3 pillars)

It is anticipated that we will begin by establishing 1 Bureau initially in Africa, on a pilot basis in 2006. The second one will likely be in Latin America, and this will depend upon the successful roll-out and proven concept of the first bureau as well as funding being available.

The Bureau’s goals are to deepen and strengthen ISOC’s regional and global presence, act as the focal point for all ISOC activities in the region related to policy and education while working to increase momentum of chapter and member activities in region. The Regional Bureau acts as a link between ISOC, , national governments, ISOC chapters and members and various other initiatives in the region. The bureau will contribute to reinforcing the self-sustainability of the I*Community (e.g. in Africa would also help support AfriNIC, AfNOG’s activities, etc). The Regional Bureau will be closer to national policy and therefore help enrich ISOC’s policy efforts while promoting ISOC’s mission in the region. It will play a key liaison role for ISOC as a whole, bettering our understanding of policy, education and chapter priorities at regional and global levels.

4. Enhancing and strengthening the Public Policy Team

Manager of Public Policy

A number of the activities related to the core Public Policy programs will require additional support in the policy pillar. As such we propose budget to hire a Manager of Public Policy.

This position would have as primary responsibilities:

- Day to day coordinator for RPCs and GPC, and relations with Regional Bureaus
- Content Manager (not technical) of Portal and database and other public policy materials
- Policy Primer coordinator, writer
- Advocate, with possible regional expertise, and responsibility for certain core issues/topics.

Success and effectiveness in the public policy focus areas will depend upon up-to-date content, ongoing material management and policy position paper generation, logistical management of the various policy Councils, etc.

Further, a new resource will enable better coverage of the many meetings, events and other activities that ISOC public policy representatives will need to attend.

This position could also support other pillars as necessary, particularly in the area of education given the synergies between the two.

5. A trusted source on Internet policy - The Policy Portal and other tools

a. Policy Portal

ISOC has a unique opportunity to position itself as a major “trusted” source for Internet policy, with a particular focus on Internet Governance and Internet technology policy. The purpose of the Portal would be to provide an educational resource for policy-makers and influencers, and an advocational tool for ISOC and the I*Community.

The Portal should become a “trusted source” based around “required reading”, “how to” approaches, best practices, and FAQs. Sections of the Portal will be regionalized so as to provide maximum policy support to the Regional Bureaus. A focus area will be Internet Governance page and education/advocacy post WSIS.

The Portal will be linked to a database of key influencers to ensure that new material/updates can be communicated to a large and influential audience.

b. The Influencer Database

The influencer database will be a primary resource for ISOC and the success of its Policy programs. Contact details of key Internet players – policy-makers, influencers, etc. – will be organized by region, function, etc. The database will be used as a communications tool beyond the Portal to communicate RPAG activities in region, latest public policy positions, as appropriate, etc. Obviously, it will have to be used judiciously.

NOTE: neither of these tools will be possible without an additional resource to manage the content in a way that will maximize their value-add.

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APPENDIX I –

ISOC Regional Policy Advisory Groups and Bureaus: Characteristics, differences and roles and responsibilities

There are two important initiatives presented in the ISOC Budget request for CY2006 that bear further discussion so as to ensure a proper distinction between the two is understood and maintained.

1. The Big Picture:

The Regional Advisory Groups and Regional Bureaus are central components of ISOC accomplishing its future goals, its policies and initiatives, and internationalizing its voice. Both the Advisory Groups and Bureaus enable ISOC to be more aware of and responsive to regional policy-making, capacity building, and membership and Chapter opportunities. Both the Advisory Groups and Bureaus enable ISOC to better deliver on its Vision and Mission, and the Strategic Operating Plan goals. The Advisory Groups and Bureaus have different structures, roles and responsibilities (outlined below) but are truly complementary in their activities and mutually supportive.

The key areas from the BoT asking for further elaboration were:

- Side-by-side for clarity
- Key characteristics and focus areas (particularly for the Bureau)
- Regional Bureau – Chapters relationship
- Goals and Success Criteria
- Management of Regional Bureau
- Location.

2. Advisory Groups and Bureaus – Similarities and differences:

These are very different initiatives but both present unique and valuable additional ways to enlarge the ISOC reach around the world. These are both two-way avenues of communication. Here is a summary of differences:

Regional Policy Advisory Groups	ISOC Bureaus
e-meetings/ conf. calls	Physical presence
Volunteer	Paid (Employed under contract)
Oversight by Policy Director	Support includes office, equipment, travel
Policy focus	Entire ISOC SOP within scope
Annual meeting or occasional travel	Budget line item
Participants already skilled	Possible ramp-up of some impact
	Pilot Program – 1 year
	Phased deployment approach – Africa Bureau first, followed by Latin America Bureau once concept proved

It is expected that the Bureau representative will be a member of the Regional Advisory Group so as to ensure integration, the realization of synergies, etc.

3. Key characteristics and focus areas:

Regional Policy Advisory Groups:

- Senior level experts to help ISOC understand and develop policy positions in-region and internationally
- NOT dependent upon the Regional Bureaus – they are stand alone – but will provide Policy support to the Bureaus
- Proposed for all regions, introduced on a staggered basis.
- Policy focus
- To allow ISOC to better understand relevant policy issues/initiatives and to get closer to influencers and decision-makers in region
- Act as a resource for ISOC and Bureaus for regional public policy issues
- Help “internationalize” ISOC Public Policy.

The ISOC Regional Policy Advisory Groups will comprise a volunteer, experienced and articulate team of Internet advisors in each region to participate in these newly created endeavors (list-based with conference calls and meetings as appropriate). Their role will be, inter alia, to actively work with ISOC and to provide advice as to the formation of ISOC policy programs and activities in region, identify and engage with influential thinkers and public and education policy makers in region, contribute to shaping and supporting the focus and formation of the Bureaus, etc. This effort will result in more nuanced and informed ISOC policy efforts – regionally and world-wide. The Regional Advisory Groups will be directly managed by ISOC Policy Director.

Regional Bureaus:

- Physical point of presence in region
- ISOC contract employee, pilot basis 1 year
- Phased approach – Africa first and then Latin America, based on success of first Bureau and budget being available
- Policy, education and Chapter and membership focus
- Promotes activities and initiatives and regional and sub-regional levels.
- Drive regional recognition of ISOC, its policies (across pillars) and its Mission.

The Bureaus entail an ISOC employee in the region (possibly an independent contract employee but one under our supervision and control), with an office support set-up (we expect this to be donated in-kind), and pursuing our goals in the region as an ISOC presence. This initiative will extend the ISOC footprint initially into the developing world; the program would then be assessed as to its suitability, etc., for deployment in other regions. The person chosen will not focus just on policy, but each of ISOC’s pillars. Their remit is to represent ISOC in region – in policy, education and Chapter/membership – and in so doing help to amplify ISOC’s reach and impact.

Goals:

Specifically goals by area would comprise, inter alia:

Policy:

Typical regional Policy related activities that the Bureau representative would contribute to could include: identifying needs and opportunities for policy initiatives (specifically in the technology policy area; identifying the top three-five issues (IPv6 transition, spam, connectivity, IXPs, IDN, IPv6, Mobility, root server and anycast may well be some of them); identifying and engaging with key influencers (focusing on national and regional influencers and policy-makers); providing advice to ISOC as to how current ISOC programs and policies could be better adapted to the

regional/local environment; build policy focused "trusted communities" to act as expert advisors for policymakers and other influencers; and promote the "The Internet Model" (how it works and who makes it work), etc.

Education:

Typical regional Education related activities that the Bureau representative would contribute to could include: identifying needs and opportunities for educational initiatives, identifying the top three-five priorities for the region related to, capacity building, reviewing proposals sent to ISOC and giving advice, identifying partners for education activities, finding and working with local sponsors, etc.

Membership/Chapters:

In the member and chapter area the Bureau representative will be an extension of the ISOC team in the region. They will facilitate and coordinate ISOC's participation in regional events of chapters. They will show the ISOC flag at chapter meetings. They will publicize and promote the overall ISOC Chapter/Member Funding program and encourage regional entities to consider ways in which they might participate in the program. They will create the link to bridge various chapters together in multi-chapter programs and events. They will help monitor progress on funded projects in the region. They will help engender discussions of importance to regional chapters through the maintenance and management of a regional chapter's delegates list and regional IM chats. In addition, these personnel will help promote an appreciation of ISOC's important support for standards setting and, from time to time, might host visiting members of the IETF and convene an opportunity for local Internet officials to meet with visiting IETF members.

4. Regional Bureau – Chapters relationship

A number of questions arise related to the relationships between the Bureau and the in-region Chapters.

First, the Bureau does not manage or replace or direct Chapter activities, rather supports and amplifies existing Chapter initiatives and encourages new regional initiatives among Chapters. Second, the focus of the Bureau will be at the regional and sub-regional levels, not the national level. Third, the regional Bureau will be a resource for Chapters and will encourage but not direct Chapter activities at a regional and sub-regional level, as appropriate.

We expect the Bureau representative will be an extension of the ISOC team in the region, including functioning as an integral part of the internal ISOC Chapter/Member team. As full participants in that process they will bring to the ISOC Chapter/Member team additional local insights and they will, in region, be better equipped to bring the fullness of the ISOC vision, mission and goals to bear in collaborating with local chapters and members. Their role is to be support and resource for the Chapters: the relationship should be one based on mutual respect, cooperation and collaboration. Obviously, the representative will have to have the support and respect of the Chapters in order for the relationship to succeed.

5. Success criteria:

Each of the three areas – policy, education and membership/Chapters – will formulate specific success criteria and goals (see Goals section above).

At an overarching level, the Bureau's success will be measured by a number of factors, including:

- Success in promoting ISOC's Mission and Vision and the goals of the SOP
- Success in co-existing and cooperating with and acting as a resource for Chapters in region
- Success in providing input to and influence on policy developments
- Success in driving capacity development/education in region, etc.

Specific goals will be established by the Bureau in cooperation with relevant members of ISOC staff.

6. Management of Bureau

The Bureau will be managed by the individual responsible for Chapters and Individual Members, with support from the policy and education pillars.

In addition to obvious support from ISOC, the Regional Bureaus will also be supported in region by the Regional Policy Advisory Group. The Bureaus will also be supported by tailored, regionalized resources through ISOC's Education and Policy web sites.

7. Location considerations:

There are two points of view on the issue of location given the first bureau is to cover Africa:

- 1) the position is better off in Geneva given the logistics of travel, the politics of country choice for an office, etc. – at least for an initial period of time; or
- 2) the position should be IN region so as to maximize ISOC's presence, increased involvement with local communities and show a clear commitment to that region.

While a Bureau in Geneva populated with a regional expert might be a good choice from an initial point of view, we believe that ISOC's reach, effectiveness and credibility will be better served by an in-region Bureau. One of the very tangible benefits of this initiative is a local presence in the developing world: day-in and day-out presence, a place where members can visit when in-region, a place attuned to developments in policy, education, capacity building in the region. We will take into consideration access to critical infra-structure and staffing this position will be done with the input of key people in the targeted region(s).

SECTION 4

Education Programs 2006 Submitted by Mirjam Kuehne

In 2006 and beyond we are planning to continue most of the traditional education programs ISOC is known for. In addition to that we propose to expand some of the activities (see ccTLD workshops). One big step will be to work much closer with the regional community (see Regional Bureaus). This will also help us to increase our education for policy makers by working with local experts. In addition to that we will continue to provide publications targeted towards policy makers.

1 - Technical Education Programs

While in the 2005 budget we stated that the needs are moving from technical to more policy education, it is also clear that education is a very broad field, spanning all areas from standards to policy.

Technical capabilities and a strong local and regional technical and operators community is a pre-requisite for policy activities. Only after the basic technical knowledge and infrastructure is established, can policy issues be discussed.

Throughout the WSIS process it has become apparent that educating policy makers often simply means describing simple technical facts and realities, explaining how the Internet (infrastructure) works and who is responsible for what. This is best done in co-operation with local experts. In that process it is essential to establish and support local and regional Internet organisations like operators fora, Internet Exchange Points, ccTLD registries, and Regional IP Registries.

A strong regional community is the basis from which to effectively work with and educate national policy makers, regulators and governments. Hence, we will work closely with the proposed Regional Policy Advisory Groups and Regional Bureaus in these endeavours.

While there is clearly progress in regional technical training (witness the number of local trainers and new tracks at regional workshops, for instance), we also see initiatives in all regions to address policy issues as well. The establishment of new technical operators fora like SANOG and PACNOG, each with their own local requirements and programs and strong local support and initiative, show the need for continued support of such programs.

Finally, we should not forget that one major goal of WSIS is capacity building. With our global community and our network of experts, ISOC is perfectly positioned to help continue and expand capacity building in least developed regions.

a. ISOC ccTLD Workshops

The ISOC ccTLD workshops have started to establish an entirely new community. This kind of community building and networking not only helps to bring a stable Internet to more people quickly, but is a long-term investment with significant pay-back in the political arena. Operational successes can have a positive impact on local attitudes and policy processes.

We are planning to build on and expand the initial series of ccTLD workshops with an advanced set of trainings, focussing on security and stability of registry operations, and will be looking for additional funding for these workshops.

This could ultimately lead to a ccTLD Operators Forum or to the strengthening of existing regional ccTLD fora. While it would mainly be focused on technical coordination, this would create a platform for ccTLD operators (often related to local governments) to discuss policy issues and the impacts they could have on local operations and the development of the Internet in a country. This will be explored further through our proposed regional bureaus.

b. Regional ISOC Bureaus

As described in the Policy section of this document, ISOC is planning to establish regional bureaus in order to work more closely with the community in those regions and to be able to better respond to local needs. This is especially important in the area of education. The Regional Bureau will help to identify needs and opportunities for educational initiatives in the region. We will work together with key people in the region to review proposals and set priorities.

See the Policy section of this document for additional details of the regional bureaus as they will have a very large role to play in our Capacity Building and Education efforts..

c. IETF Journal

The IETF Journal is a new ISOC publication produced in cooperation with the IETF. The first issue was published after the IETF Meeting in Paris in Summer 2005. See <http://ietfjournal.isoc.org/>

The aim is to provide an easily understandable overview of the activities of the IETF and thereby to reach out to a wider technical community. Initially the IETF Journal will be published three times a year after each IETF meeting.

See the Communications section of this document for additional details of this activity.

EDUCATION Appendix

1. Regional Operators Fora :

- 1.1. AfNOG
- 1.2. AfriNIC
- 1.3. SANOG
- 1.4. WALC
- 1.5. PACNOG

2. Workshop Resource Portal

3. ccTLD workshops

- 3.1. beginners workshops
 - 3.2. advanced workshops - pending (upon need and financing)
- ### 4. Misc. small workshops

1. Regional Operators Fora

1.1 AfNOG 2006

Dates: May 2006

Location: Nairobi, Kenya

AfNOG consists of three parts:

4 tracks of technical workshop (French, English): 5 - 6 days

Tutorials: 2 days

Conference : 1 day

<http://www.afnog.org/afnog2006/>

ISOC will organise an ISOC chapter meeting at the AfNOG 2006 conference and will provide input for the conference agenda as requested.

1.2. AfriNIC 2006

Dates I: May 2006

Location I: Nairobi, Kenya

Dates II: November 2006

Location II: Mauritius

<http://www.afrinic.net/meeting/>

One of the AfriNIC meetings in 2006 will be held again in conjunction with AfNOG in Nairobi, Kenya in May 2006. The second AfriNIC meeting will be held in November in Mauritius.

ISOC will be mainly asked to contribute to the fellowship program to allow more members to participate in the AfriNIC policy development. AfriNIC is working to attract members to participate in the policy process and in the AfriNIC meetings by organising events relevant to ISPs in the region, e.g. IPv6 workshops. ISOC will support this initiative by possibly organising a regional INET meeting together with AfriNIC.

1.3. SANOG

This includes 2 SANOG meetings plus possible smaller workshops in the region organised by the SANOG team.

The South Asian Network Operators Group SANOG organises regular meetings (2 times a year) since 2003. It consists of a series of technical hands-on workshops, tutorials and a meeting in a conference style (similar to AfNOG). ISOC has supported SANOG since 2004, primarily through a fellowship program that covered the costs for participants.

SANOG 7

Date: 16 - 24 January 2006

Location: Mumbai, India

Local Host: Indian ISP

Partners: NSRC, APNIC

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<http://www.sanog.org/sanog7/>

SANOG 8

Date: 27 July - 4 August 2006

Location: Karachi, Pakistan

Local Host: Network Society Pakistan

Partners: NSRC

<http://www.sanog.org/sanog8/>

See SANOG Fellowship Site at <http://www.sanog.org/fellowship/>

1.4. WALC

Date: July-August 2006

Location: Guayaquil, Ecuador

Local Host: ESPOL (Escuela Politecnica del Litoral)

Partners: NSRC, LacNIC

1.5. PACNOG

Date : 19 - 23 June 2006

Location : Fiji (TBC)

<http://www.pacnog.org/>

PACNOG is a new operators group formed in 2005 in the Pacific Region. In 2005 ISOC donated 4000 USD for books and shipping. ISOC received a request to provide fellowship for workshop participants. It is especially important to support this new initiative to help it to become stable.

2. Workshop Resource Center

Support provided through a 2-year contract with the Univ. of Oregon and NSRC

Since going live in February 2004, the Workshop Resource Centre has been promoted widely to developing countries through a large number of training events and publications. It has been used extensively as a major resource by planners of network training workshops around the world.

ISOC will continue to fund NSRC to maintain the site, review the material, ensure access etc. In addition to that we will work with NSRC to further enhance the functionality, add new features and to improve the user interface.

<http://ws.edu.isoc.org/index.php>

3. ccTLD Workshops

3.1. First Phase

The workshops are being held in response to numerous requests for technical education as well as help with best practices relevant to running exemplary registry services. The overall goal of this workshop is to help ccTLD operators to get access to the knowledge and skills that they need to build up high quality infrastructure and services as well as a strong policy capability in their countries.

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In the first half of 2005, we concentrated mainly on the development of new material and tools. With the new material a workshop in Nairobi, Kenya was held in September 2005 which was very succesful. 6 countries attended the hands on workshop. Consequently the material has been translated into french. A French language workshop was held in December 2005 in Dakar, Senegal. 15 operators from eight French speaking African countries participated in this workshop.

A list of all ccTLD workshops held so far including all material can be found at <http://ws.edu.isoc.org/workshops/ccTLD/>

It is planned to hold two more "basic" ccTLD workshops in 2006.

3.2.Second Phase - advanced workshops – pending (dependent upon need/readiness and finding funding)

It is expected that the target group of very new ccTLDs in developing countries will have been covered. After that we will start with advcanced workshops covering topics like databases and security, topics that were briefly touched in the initial round of ccTLD workshops, but that require more indepth training in order to ensure stable and responsible operations.

4. Misc. small workshops

ISOC frequently receives requests from organisations like ICANN and NSRC to support small technical workshops. Examples of this in 2005 included the Routing and IPv6 Workshop in Conakry, Guinea and the CERN Workshop for African Research and Education Networking.

They normally only require small amounts or help with agenda or speakers. But overall this support makes a big difference for the success of these workshops and the capacity building in the country or region.

SECTION 5

COMMUNICATIONS PROGRAMS

Submitted by Peter Godwin

The Internet Society's communications programs will support ISOC's mission (as defined in ISOC's Strategic Operating Plan) of promoting the open development, evolution, and use of the Internet for the benefit of all people throughout the world. Our specific communications objectives include raising general awareness of issues affecting the Internet, increasing understanding of the importance of the implementation of best practices and increasing recognition of ISOC's role as an independent advocate of an open Internet.

Our programs will be targeted at several different audiences. They will be designed to **influence** decision makers, **inform** users, **educate** implementers and **provide value** to ISOC members.

The channels we use for communications will be selected and developed in conjunction with, and in support of, specific programs in the Education, Policy and Standards areas.

ISOC's communications programs will also aim to position ISOC as an exemplary user of the Internet and to ensure that ISOC is perceived as the leading source of independent information about Internet technologies and their implementation.

Details of specific programs follow.

1. Press program

Influence, inform and educate

ISOC will work pro-actively with selected press contacts to promote best practices in the broad area of Internet governance. We will also work through press channels to promote awareness of ISOC's activities in the Education area (particularly capacity building efforts in the developing world) and to promote understanding of the standards issues being dealt with by the IETF.

We will map media to the audience groups that we need to reach and then identify those media that have the biggest audience/biggest influence in those areas. Building contacts with representatives of a few key publications will give the greatest return on our press communications efforts.

Our press contact list will be reviewed and all subscribers re-qualified. This will enable us to build smaller target groups of media representatives that we wish to focus our attention on. As well as mass distributions of press releases, we will develop targeted mailings on specific interest areas (e.g. with policy, education or technology interests).

Journalists will be invited to participate in conference calls with selected specialists drawn from the ISOC network (similar to some of the AC calls).

We have a big opportunity to raise the visibility of the work of the IETF and the importance of open standards - this should become a priority area next year.

In addition to press releases and conference calls, we need to be more responsive as 'Internet issues' arise. A communications committee (drawn from a subset of the BoT, staff and a few

external specialists) may be helpful to draft or review short position statements on any matters that take us by surprise.

Regular communications targeted at the press would include press releases, issues briefing bulletins, etc. Chapters will be encouraged to implement a similar approach to press relations. As a first step, we will prepare a consolidated listing of all local press contacts together with some personal evaluations/commentary by local Chapter representatives on the effectiveness or responsiveness and reach of their local media.

Chapters will also be encouraged to translate ISOC global press information for local use and then to provide this to ISOC for further distribution and dissemination on our web site.

Chapters should inform us of local Internet issues that are likely to catch the attention of the media, as well as monitor local media reports for information appropriate to ISOC and our members.

Press coverage of ISOC will be made visible to all - an ISOC press review section of our web site will be launched to include cuttings, URLs and other references to articles, interviews etc concerning ISOC initiatives, members and Chapters.

Our web site will include an improved Press section - this will contain resources for journalists such as FAQs, statistics, historical information, personal profiles etc. Much of this info may appear elsewhere on our site, but a collection of pointers to key info is needed.

2. Member Outreach Program

Inform, educate and provide value

This includes activities such as the Annual Report, Member Briefings and the IETF Journal. New initiatives could include the production of an ISOC 'resource pack' on CD or DVD. This would include a standard presentation and copies of other useful docs, FAQs and useful web links.

Today, our primary tool for member communications is the all-member newsletter. We need to examine new ways of communicating. This implies producing content targeted to members' interests as well as implementing new ways of disseminating information. Email distribution is just one channel. This needs to be supported by an effective, frequently updated web site. Our web site is our 'visiting card', our public face. To enable flexibility, reduce bottlenecks our site requires a redesign and implementation of a CMS (see below for Technology Program).

ISOC-originated information must be made simple to integrate into other communication channels - this can be done through blogs (e.g. the recent ISOC@WSIS blog was cross-referenced by a number of other blogs) or through implementing RSS or Atom news feeds that can be 'plugged in' to Chapter web sites directly. This approach not only allows Chapters to include dynamic, automatically updated information on their web sites, but it also ensures that ISOC global content is disseminated widely. The same techniques should be implemented in the reverse direction - i.e. Chapters should be encouraged to make their news available through RSS feeds - ISOC would then be able to consolidate all Chapter feeds into a single multi-national, multi-lingual Chapter news area on our site.

Interactivity will be enhanced - FAQ sections will not be static, members will be encouraged to submit questions and ISOC/ISOC members will find the answers. ISOC can run quizzes (test your knowledge) on topical themes. Surveys can be used to engage members and gauge opinions. Blogs and Wikis are widely used in the Internet community and can be used to great

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effect in collaborative efforts (e.g. when planning position statements etc). The existing ISOC member newsletter could perhaps be replaced by a blog and a periodic mailing of a blog digest (like CircleID).

3. Events program

Influence, inform and educate

As part of our Policy efforts, we will revisit the INET concept and consider the best way to implement regional conferences targeted at policy makers. These conferences must be clearly positioned to offer more than the many other Internet conferences held around the world. They need to be positioned to benefit from our 'unique selling points' - our relationship with the IETF, for example.

Another approach to consider is regional IETF updates - along the lines of the IETF days run by the German Chapter. We would support Chapters in organising local events addressed by a small group of IETF people. These could address themes such as VoIP, Security etc and would be targeted at the implementers interested in the future directions of Internet technologies - e.g. IT management of businesses. This clearly supports our broader Internet Governance objectives, such as Capacity Building, while also fulfilling part of our Education mission.

A further path to follow is greater participation and visibility in other well-established industry conferences. We need to monitor conference plans and either propose speakers or choose to exhibit.

4. Publication Partnership Program

Inform and educate

With ISOC's resources, there's an obvious limit to how much of all the above can be achieved alone. Partner organisations can help greatly with our communications efforts. Today we already have very good relations with the I* orgs and many of our messages are not only consistent, but have also been developed in cooperation with other groups.

One new approach would be 'co-branding' printed materials. Our sponsor would pay for production and distribution of content that is originated by and attributed to ISOC. An excellent opportunity here would be to work with Telecom operators or ISPs. Swisscom, for example, has produced a series of booklets on 'Internet in schools' - each booklet focusses on an aspect of how to use the Internet, and is targeted at schoolchildren and their parents. This type of content - the 'How To' guides that we considered some time back - could be produced by ISOC. ISPs would then distribute the publication 'produced in cooperation with the Internet Society' to their customer base. This also supports our broader Internet Governance objectives while providing a natural entrée for future Org. members.

Telecom operators and ISPs are a largely 'untouched' source of potential sponsorship and support and would appear to be a logical and ripe target for ISOC. As well as a possible source of funding, this is an excellent channel for membership recruitment.

5. Technology Program

Inform and provide value

ISOC needs to become an exemplary user of the Internet. Much greater focus must be put on the technology and tools that we implement and use.

A major web site redesign is required. This will focus initially on providing a solid basic infrastructure platform that will give ISOC increased flexibility and allow for faster updating of content. A Content Management System is a prerequisite here and activities to evaluate and select an appropriate solution will be initiated. The next phase will address the design and build of the new site.

An analysis of the future system requirements of other ISOC programs is also needed, and appropriate tools and technologies will be selected and implemented as needed. These may include enhanced mailing and tracking tools required by a new Policy Portal, new communications methods and tools (such as news feeds) required by the Member Outreach Program and new collaboration and communication systems to add value for ISOC members.

A common ISOC toolset will be developed including standard implementations of blogs, wikis, RSS feeds, survey tools etc.

In summary, the Technology Program will provide tools and services that enable:

- ISOC to be perceived as an exemplary user of the Internet
- implementation of a solid platform as the foundation for future tools
- increased flexibility
- enabling of new member services
- faster web content updates
- greater integration of communications tools
- improved overall use of technology

SECTION 6

Chapters & Individual Members

Submitted by David McAuley (with support from Jim Galvin)

The focus on Chapters and Individual members will remain on ways to enhance outreach activities, to connect with them and enable and help them to connect with each other. We have increased this outreach in the past year and plan to continue such steps. All of this is being done with a view to furthering ISOC's efforts pursuant to the SOP – for instance a great deal of focus has been dedicated to enlisting chapters and members to aid ISOC in the policy arena as it relates to the WSIS debates.

We currently have 74 active chapters. We have 6 chapters in-information and we have had 9 more inquiries about setting up chapters that could lead to chapter formation applications. Much of this chapter formation activity has taken place in the latter half of the year.

One outreach initiative that drew the interest of both chapters and members is the **Project Funding Initiative** which we request the Board continue in 2006 (<http://www.isoc.org/isoc/chapters/projects/>). The first round was held this past spring in which we received 25 project applications. The Committee funded seven projects, making disbursement commitments of just under \$65,000 (out of \$150,000 available).

The second and final round of the year is winding up. We received 39 timely applications. The program appears to have energized a great deal of creative local thinking and collaborating in furtherance of ISOC's goals. The project applications currently under review by the Committee continue that activity. Final reports of the first round are not yet received in all cases, several of the projects are encountering brief delays. But the preliminary results are promising: from efforts to monitor agricultural production through internet technology in Indonesia, to supporting French language efforts to extend the reach of the Internet, to efforts to connect students to best education sites and sources on the Internet and more.

The Project Funding Committee has been composed of three staff members involved in chapter and IM activity and an equal or greater number of Board Members (four Board members in the spring round and three in the fall round). By having this composition the Project Funding Committee brings to the review process a direct and experienced sense of the impact the applications will have in furthering ISOC's mission and an appreciable understanding of the chapter and IM role.

We are requesting that this important initiative be extended to 2006 at the same level of potential funding: \$150,000 although based on an evaluation of the first round it might be increased to \$200K. The Committee now has gathered two rounds of application review and funding experience and will separately approach the board for modest modifications to the program criteria prior to kicking off a spring round in 2006.

Another outreach effort we plan to continue in conjunction with chapter leadership is the **Monthly Monographic Meetings**. These are real time Instant Messaging meetings that are scheduled periodically. The audience is comprised of chapter delegates around the world together with ISOC staff. Board members have also attended from time to time. This initiative was created by a chapter member, Dr. Andreu Veja, and has been supported actively by us. The moderator has been Dr. Veja, with David McAuley filling in when Dr. Veja is unavailable. Subjects ranged this past year from chapter management, to membership level issues, to WSIS, to SOP review/input

and more. Belgium Chapter president, Rudi Vansnick, posts transcripts at: <http://www.isoc.be/chde/forum/>.

We are working with Dr. Vea on coming topics, including one on WSIS prior to the Tunis meeting and then inviting chapter leaders to start a series on Chapter Best Practices ranging from administration to event hosting and sponsorship and the like. We will look to establishing a 'Chapter of the Month' in conjunction with appropriate recognition in our newsletter, in the chapter delegates list, and on the webpage.

This chapter driven initiative has been very helpful. We plan to help bolster this effort in the coming year by enhanced promotion of the MMMs to the various delegates around the world in these same outlets.

A related endeavor to the Best Practices one is a new initiative we wish to pursue: a virtual focused effort on creating a chapter management kit. We will create the e-mail and IM forum to address this and seek input into various areas of chapter management and growth. The aim is to create a set of electronic materials on the chapter website that offers instruction and insight into how to form and manage a chapter (not unlike the Workshop Resource Center) from those who have succeeded at the effort. It will cover topics ranging from chapter formation, recruiting sponsors, holding chapter meetings, sponsoring events, collaborating with other chapters, communications, dispute resolution and more. We will seek presentations from experienced experts and then select the best to form a small core group to develop the supporting materials.

In 2006 we also plan to facilitate several chapter events around the world. The events chosen will focus on multi-chapter events or events that gather a large number of chapter members and other ISOC members. It will be an effort to continue to show the ISOC flag as we started this past year to organize chapter events around ISOC and other organization's events. We are now seeking to build upon this and will search out venues that offer us an opportunity to speak/present about ISOC and vice versa, that offer a chance to visit with members and where chapter business will be addressed.

As you will see in the Policy presentation, there is also an initiative to create ISOC Regional Bureaus in Africa and Latin America. We will pursue further chapter and member outreach through these bureaus by: participating in chapter management teams for the region (participating in internal calls/conferences to discuss regional chapter activity/management), becoming personally known/helpful/available to chapter delegates in region, becoming knowledgeable about regional internet/chapter issues, concerns, areas of interest, acting as catalyst for regional events/meetings, chapter events, leveraging ISOC programs, initiatives, information, briefing papers etc (e.g. IETF Journal or WSIS interventions etc), providing feedback to internal ISOC on best practices in region, on issues as they develop, on sponsorship opportunities; on critical internet needs, following project funding program, assisting the Project Funding committee to understand better the regional funding applications and the potential impact of suggested programs; helping monitor funded program progress, and reporting on the region in ISOC communications vehicles, etc.

The **chapters delegates mailing list** itself is a vibrant method of outreach/communication that has at times been an outlet for statements of concern by chapter delegates. Most importantly in this past year that concern has centered on the Individual Membership level and the announcement at the beginning of the year of a new paid membership level.

That at times tumultuous discussion took place over the course of several weeks – centering on three principal facets of the new level: first, the fact that paid membership provides a potential avenue to a vote for a trustee position; second, the existence of a payment level itself (the latter issue focused on two points – the fact that a single payment amount of \$75 annually is unfair in large parts of the world and the fact that in many parts of the world there exist no practical way to

make payments irrespective of the amount in issue); and, third, the nomenclature we used to describe the membership levels (Member and Associate Member, the latter being the free level).

Since then we have conducted a number of discussions and request for input. Out of that process we changed the nomenclature with chapter input to Sustaining Member and Global Member. We have not changed the amount for the paid membership level and that remains at \$75. That was left with the understanding (not accepted by all participants) that it would be given time to see if it was accepted and will be revisited later in the coming year.

We also expect to continue our work with **Regional Chapter Councils** such as ISOC-ECC. ISOC-ECC has been working on ascertaining the locus of its legal entity. We have been of assistance through our seat on the ISOC-ECC council. The process identified two qualified applicants, a vote was held among ISOC-ECC members, and a site was chosen. A vote challenge was posted alleging procedural discrepancies in the vote and the challenge has now been addressed and the legal entity will begin to take shape in Barcelona. We have been of assistance but in both votes we chose to vote 'abstain' and allow this internal matter to be decided purely internally. We look forward to working with the forming legal entity pursuant to the guidance provided by the Board at the last meeting and believe this structure will be a benefit to ISOC's activities.

There are several chapters working to form another new Council, in this case a Francophonie council drawing together Chapters where the predominant language is French (ISOC-Francophonie). The effort is being led by ISOC-Quebec, ISOC-France and ISOC-Senegal.

The goal of such a linguistic grouping is to enhance support for Francophonie chapters, to enhance communications between them and ISOC, to promote cultural and linguistic diversity on the Internet, to promote the creation of chapters in French speaking countries, to stimulate the creation of French content on the Internet, to enhance cooperation among French speaking chapters and more. As it is with the ISOC-ECC, the council will be a collaborative council not a governance level between ISOC and chapters. They have suggested by-laws to us based on the ISOC-ECC by-laws. We will pursue such discussions with the organizers with a view to assisting this effort to conclude successfully. We will keep the Board apprised of actions in such respect. This group of organizers gathered together in Tunis as a Council and we intend to facilitate their meeting as a Council in Formation. The final approval of the charter for the council will be presented to the Board when it is ready.

You have seen in the Communications Program text reference to the Technology Program envisioning a major website redesign. We will work with the technology group to ensure that this redesign provides the tools to empower chapters and members to continue this extension of outreach and contact. We will look to provide webpage templates for a chapter's corner, blog/wiki technology to enhance collaboration, and RSS feeds.

And the Communications Program's Press Program provides another valuable service and connection between ISOC and Chapters. As the Press program takes shape we will work with Communications to ensure that chapters are aware of this effort and take advantage of these steps whereby together we will enlarge ISOC's visibility within global technology, communications, and general media.

With respect to Individual Members, the release of the GO database system to individual members has created a new enthusiasm as members can now manage their own membership account within ISOC. Additionally and importantly, as part of our phased roll-out, we will revisit the chapter and member administrative system to ensure it is filling our collective needs adequately. Some concerns have been expressed and adjustments will be made in phase 2 as appropriate.

We intend to work with the IETF (among other organizations) to promote membership in ISOC and have several possibilities in mind) once the migration to the new meeting and secretariat model is complete. Invitations to support ISOC's work and to join as a sustaining member will be inserted in IETF Journals distributed at IETF Meetings and these journals will also be used to attract new Organization members.

Finally, we are considering a plan, not yet finalized, to grant "Sustaining Member" status to a new category of ISOC individual membership: ISOC Fellow. Our current discussion proposes a small committee to evaluate nominations to Fellow status annually. Whereas the Postel Award recognizes significant career contributions to the advancement of the Internet, an ISOC Fellow will be recognized for significant contributions to ISOC. One benefit of the Fellow category is it ensures a growth in the Sustaining Member that facilitates reaching the minimum 500 sustaining members (plus 500 representatives from the organizational members) needed to permit an election of Trustees by Sustaining Members.

SECTION 7

Organization Members Submitted by David McAuley

The plan to achieve the Organization Membership revenue numbers in the budget is centered on many activities and based on one or more of these principles:

- the fundamental importance of efforts to develop open, accepted, and working Internet standards;
- to appreciate the sound corporate citizenship and market expanding consequences of delivering network technical training in the developing corners of the world; and
- to value an accepted, consistent, persuasive and independent voice in support of prudent and cautious Internet policy formation, especially respecting Internet Governance.

There is a large number of possible organizations and, while we should be open to periodic opportunistic leads, we expect to focus on groups which we believe may be particularly interested in the value that ISOC presents.

Those groups are :

- Organizations active in the VoIP market (including Telecoms)
- Organizations offering products services relating to internet security
- ISPs
- Organizations involved/concerned with WSIS process
- ccTLDs
- Organizations directly involved in standards development
- Network access and product providers
- Government Ministries of Telecom

To support these efforts we will do the following. Continue with and build up the Advisory Council Conference Calls. It is planned to have at least one call a month. The calls will be largely focused on two tracks : 1 - General Internet Development (Technical) and Future Trends, and 2 – Policy (including issues such as Internet Governance). We will explore/test a Roundtable forum where the ‘speakers’ are two or more experts in the field who participate in a virtual Q+A and who then subsequently participate in a call with the AC members.

We will send a quarterly newsletter to Advisory Council members summarizing ISOC’s activities in all areas of standards, education and policy in the preceding quarter and announcing/anticipating the events to which we will be dedicating focus in the next quarter. This will be another avenue of information and will be coupled with general invitations regarding available additional sponsorship activities.

We will also hold meetings (formal and informal) with AC members at IETF venues so as to poll them informally regarding ideas for more robust AC participation, topics for speakers, particular interests their organizations have vis-à-vis sponsorship or other avenues of interest.

We will work with the Communications Group in the area of Member Outreach Programs, and we will ask our members to help us broaden ISOC’s contacts and support within our organizational members as well as attracting individuals to ISOC.

We will support and assist the Communications Group as they take the lead in better promoting ISOC. We will be alert to focusing on Organization Members in any promotional campaigns as those behind the scenes.

We will purchase multi-use direct mail lists for these target groups identifying CTOs, Chief Policy Officers and the like.

We will pursue a campaign of mail and phone calls to the lists with a metrics schedule to be developed. To manage this we have already put in place an automated web-based CRM system.

We will use the collateral we have to support our message – these being the new IETF Journal, printed versions of pertinent WSIS/WGIG interventions, ISP columns, and Briefings. We will leverage the Proceedings of the NDSS Symposia in security related contacts. And we will develop additional collateral.

Finally, we will continue to approach lapsed ISOC organizational members who we know understand the value of these efforts but who might reconsider membership when made aware of the increased level and importance of ISOC's efforts, especially in standards and policy.

The additional resources that are planned in the Membership and Communication Departments will significantly aid our efforts as should our expanded and increasingly visible efforts in policy and in our expanded geographic presence through the various Councils that are planned.

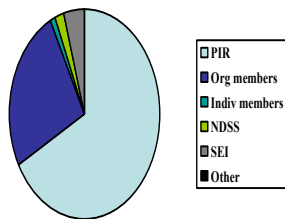
Budget Submission - Income Statement

Total Revenues :

ISOC has a small number of concentrated sources of Revenue. Our largest single source of revenue is from the .org TLD registry, managed by Public Interest Registry (PIR). The second most important source has historically been organizational member dues – which is the traditional funding source of ISOC. With the new IETF model coming into place the P&L now shows another major revenue stream – IETF meeting registration fees. These fees will be used to support much of the IETF expenses and the additional requirements for funding for the IETF will be met from other sources within ISOC. Individual memberships while clearly important for other reasons, contribute a small percentage of ISOC funding (less than 1%).

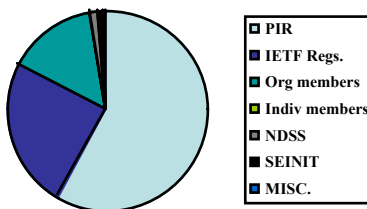
The pie charts below show 2005 (projected revenue) and the 2006 budget. Both pie charts are calibrated in terms of the 2006 Projected Revenue. The “missing” segment in the 2005 chart is the amount by which the 2006 budget is larger than 2005, i.e. 2006 Budgeted revenue is nearly twice 2005’s. More information on all the revenue streams are to be found in the appropriate sections below.

2005 Projected Revenues



Total = \$ 4.7 M

2006 Budgeted Revenues



Total = \$ 9.4 M

Public Interest Registry (Global Registry for .ORG TLD)

In 2001-2002, ISOC prepared a successful bid to ICANN to operate the .org registry. Following the model proposed in the bid, ISOC created the Public Interest Registry (PIR) organization with ISOC as its sole member (non-profit terminology for wholly owned). The actual registry operations are overseen by PIR, in partnership with Afilias. The PIR staff, with support from Afilias, markets the .org top-level domain and manages relationships and policies with the registrars and with ICANN. PIR also has a policy responsibility in which it is to take leadership positions on registry issues and registrant rights issues.

	2006 F/C
.ORG Contributions to ISOC's programs	\$ 5.5 M

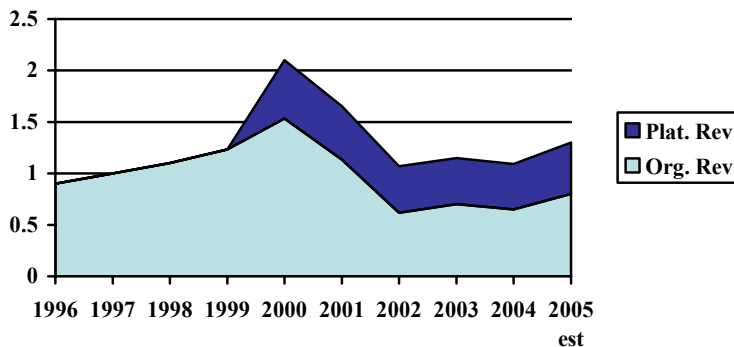
Buiding plans to increase diversity in revenue streams

As has been said elsewhere in this document, ISOC intends to develop additional revenue streams. We are now extremely well positioned to do so, coming on the heels of consolidating our responsibility to the IETF as well as building on our successes in the Public Policy arena.

Organizational Member Revenues

Organizational member contributions to ISOC have mirrored the .com boom of the late 1990s and the .com bust of 2001 and beyond. In the chart just below, the light blue at the bottom reflects the organizational member cash revenues in millions while the dark area at the top reflects the effect of the platinum program revenues.

For almost a decade, total organizational member revenues have hovered at approx. \$1.0 million except for the post INET'99 rescue plan put in place in 2000.



The companies participating in the organizational member dues programs have largely been those associated with active participants and leaders in the IETF. There are many large and well-known companies which are benefiting from ISOC and IETF programs and are not yet contributing to ISOC. Reaching out to them and convincing them of a value proposition for joining ISOC will remain a key priority.

The Platinum Sponsorship Program

Following the INET conference in 1999, ISOC began an extraordinary fundraising campaign among organizational members in 2000 called the Platinum Sponsorship program in order to fund payments to the RFC Editor and address ISOC's difficult financial situation¹. In this program, much like a capital campaign, organizational members were asked to make a special above-and-beyond donation to ISOC. Doing so at the \$100K level and above gave them special platinum status and privileges, including the ability to designate or direct their contributions to certain ISOC programs. Because funds are designated, ISOC is able to recognize these funds as they are spent for particular projects/pillars. The majority of the platinum designations have been for IETF support. The platinum sponsorship program has been continued due to continuing interest on the part of these organizations to dedicate funds to specific significant activities within ISOC and this program has augmented ISOC's traditional membership revenue stream. From the graph above, one can see that support for this program has remained quite steady, it is the more traditional organizational member support that has declined and that is where we will redouble our efforts to rebuild and expand support for our activities.

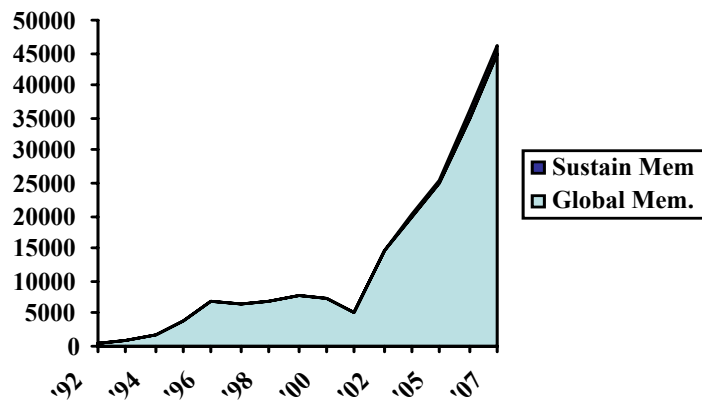
¹ See <http://www.isoc.org/members/platinum.shtml> for more information
SOP-Part2.doc
2/8/06

Individual Members

Individual Members and Chapters are very important to ISOC and as you will have seen many activities are planned to increase our support to them as well as their participation in ISOC activities and vice versa. These are documented in other sections of this budget book, particularly in the Individual Member, Public Policy and Communications/Member Outreach sections.

We recently launched a new Membership System that will enable better support to members, chapter heads and will significantly improve operations of the ISOC membership staff. The Individual Membership program is predicted to have approx. 20K Global members at year end (approx. 100 Sustaining members, plus several hundred from Org. Member companies) and we budgeted 500 Sustaining members in 2006 (again, plus several hundred from Org. Member companies). This would provide approx. \$50K to the budget (including donations) which is not a financially significant amount, but the importance to ISOC goes well beyond the financial contribution. We intend to put a special effort into recruiting individual members so that we can re-instate individual member voting for the Board of Trustees.

Individual Membership was stagnant for years - with the introduction of the Global member program we saw significant increases and we intend to build on this.

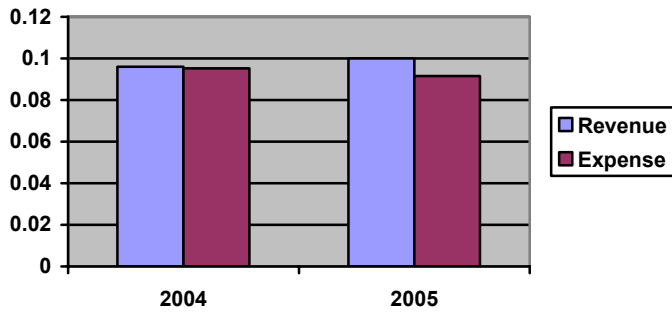


Other Sources of Revenue :

This category is essentially self-funding and includes our Annual Networking and Distributed Systems Security Symposium (NDSS) and the SEINIT Project.

Networking and Distributed Systems Security Symposium (NDSS)

ISOC sponsors the Networking and Distributed Systems Security Symposium annually in San Diego. This is a very specialized conference and historically revenues roughly equal expenses, including overhead. The actuals for 2004 and the budget for 2005 are shown below in millions.



Security Expert Initiative - SEINIT

The security expert initiative, funded by the EU and the Swiss government, was budgeted at \$220,000 in the 2005 budget. The project has had very good reviews from the EU review team and given the magnitude of the deliverables, it was extended by 4 months until March 2006. As the project funds were not increased this moved some of the funding from 2005 to 2006.

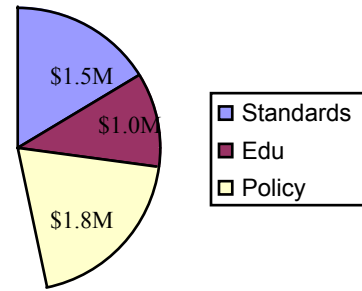
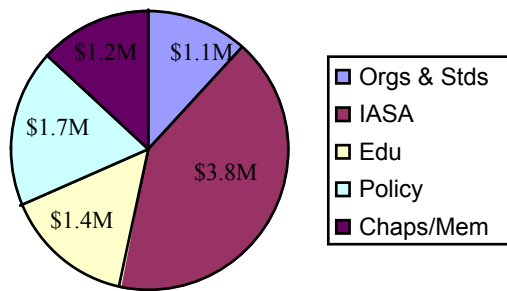
Expenses:

ISOC traditionally grouped expenses by pillars representing different aspects of the ISOC mission: standards, education, and policy; and the 2005 budget followed this convention. The 2006 budget while also following this convention, shows additional items such as IASA expenses and we have split out the Member and Chapter expenses as well. Again, for comparison purposes, the slices are shown normalized to the size of the 2006 budget. The 2006 expense budget is nearly twice the size of 2005's and this is mainly due to :

- the addition of all the IASA support costs (including the IETF meeting, secretariat, staff and project expenses)
- increased Public Policy, Education and Communication Outreach activities
- organizational restructuring

2006 Expense Bud Total = \$9.2M

2005 Expenses (Proj) Total = \$4.3M



Staff Salaries/Related Costs and Organizational Structure

ISOC headcount will be increasing quite significantly in the coming year as we continue to ramp up our activities in the Policy Area, Membership Areas (all membership areas : Organizational Members, Chapters and Individual Members), and importantly in Communications (Member Outreach, Publications, Press relations, etc). ISOC's full-time equivalent headcount (FTE) in 2005 is just under 12, excluding the support of the two VP's – Jim Galvin and Mike Nelson. In 2006, the Board approved an increase in staff headcount to 19. These increases are necessary in order to support the significant increase in scope and type of activities ISOC plans to undertake in the years to come.

This expansion in staff and re-grouping of our activities will give us the critical mass we are lacking in many areas at the moment. Given the profile of some of our positions and the benefit and importance of being multi-cultural, I expect approx. 1/3 of our resources to be located outside the US.

ISOC operates under a project cost methodology. All staff account for their time by project and all identifiable expenses are assigned to projects. Only standard General and Administration (G&A) and Governance charges (largely Board related) are charged to G&A/Governance. This G&A is then allocated across 'pillars' on the basis of direct salaries as this is a 'standard' support base, hence all expenses are based on time and money spent, not estimates or general allocations.

INTERNET SOCIETY 2006 BUDGET

Revenue: 2006

Platinum & Org. Mem Dues	\$1,400,000
Ind'l. member @ \$75	40,050
IETF Registration Fees	2,312,500
NDSS	85,000
Program Contributions	5,544,729(1)
Misc. Sponsors, Contrib.,	40,000
Postel Award	<u>20,000</u>

Total Revenue \$ 9,442,279

Expenses:	<u>Total</u>	<u>Orgs. & Chapter & Education</u>	<u>Public</u>	<u>IASA</u>		
		<u>& IETF</u>	<u>Members</u>	<u>Policy</u>		
ISOC Salaries & related	2,458,943	630,963	516,393	565,286	746,300	- (2)
IETF Trav, Misc.	60,000	20,000				40,000
RFC Editor	882,121					882,121
IETF, IAB Supp. & Insur.	109,500					109,500
IETF Secretariat, & Mtngs	2,000,000					2,000,000
IAD/IASA Supp. (tools/proj.)	485,000					485,000
Travel, Tel, Mtngs, Misc	160,934	35,000	25,000		16,000	84,934
Prof'l. Services (inc. legal)	91,500	1,500	10,000		30,000	50,000
Comm/Mrkt'g, Promo, Ship	200,000	50,000	50,000	50,000	50,000	
NDSS (excluding salaries)	70,000			70,000		
Program Costs * (sheet 2)	1,464,000	75,000	333,000	380,000	676,000	(3)
Funding of Postel Award	20,000	20,000				
Total Direct Expenses	8,001,998	832,463	934,393	1,065,286	1,518,300	3,651,555
G&A/Governance	1,156,321	251,597	231,264	242,827	323,770	106,863(4)
Total Expenses	<u>9,158,319</u>					
Surplus (Loss)	<u>\$ 283,960</u>					

Notes

- (1) Includes .ORG contributions, SEINIT, etc.
- (2) IAD Salary included in IAD/IASA Support
- (3) Direct costs only. Salary costs are included in the ISOC salary line.
- (4) Includes G&A/Gov salaries as well as expenses related to G&A/Gov.

**INTERNET SOCIETY
2006 PROGRAM BUDGET**
(Direct contributions only, and
excludes staff expenses)

<u>Program Costs - \$ K USD</u>	<u>Organization & IETF</u>	<u>Chap/Memb</u>	<u>Education</u>	<u>Public Policy</u>
World Summit Award/YouthSupport		50,000		
Chapter/Member Project Funding		200,000		
Various workshops (NOG's, ccTLD's, etc.)			268,000	42,000
Governance/Policy Forums (in addition to Policy Councils & Bureaus)				300,000
Policy Councils/Regional Bureaus		33,000	33,000	134,000
Misc. Projects (IETF, IDN, Spam, Security, Translation)	75,000	50,000		200,000
	<hr/>			
	75,000	333,000	301,000	676,000

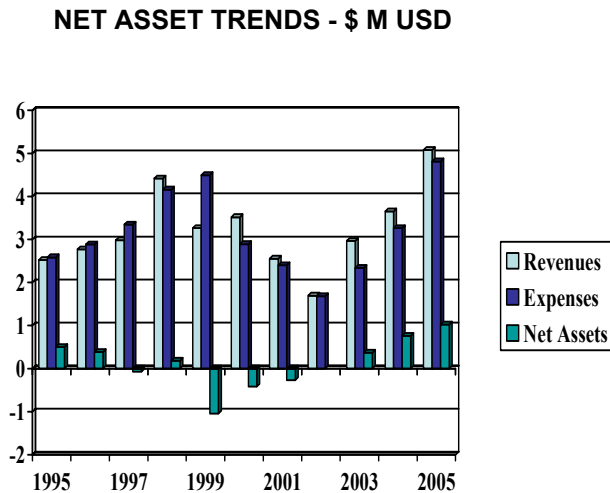
Financial Position - A Continued Positive Trend

We achieved a positive net worth in 2003 for the first time in many years and since that time it has grown substantially. We fully expect this trend to continue.

K\$	2005 Budget	2005 Yr-end Forecast
Surplus	265	325-350
Cash at year end	650	1,400
Net Worth	1,024	1,349 – 1,374

Our 2005 year-end net worth is expected to increase by roughly \$350K to approx. \$1.3M. The 2006 budget would add another \$284K bringing the total Net Asset position at the end of 2006 to approx. \$1.6M.

The chart below summarizes trends in ISOC's financial position.



For a non-profit organization the size of ISOC to operate to sound accounting principles, we should have a minimum of 6 months of operating expenses in unencumbered cash reserves as part of our net asset balance (and management's goal is to have 12 months). For 2006 the amount required in our operating reserve, excluding discretionary projects, will be approx. \$3.0M given a 6 month goal. This is a significant increase over 2005's year-end position and it will likely take a few years to attain the required level. Meeting this level is critical not only for sound operating performance but it is also part of the commitment ISOC made to the IETF. We are confident we will meet this goal as we continue to improve our overall financial position.

While the budget is in many respects quite aggressive (ambitious programs, significantly expanded outreach activities, and an organizational restructuring), management is confident it is achievable. We look forward to 2006, and to working together with our members and partners as we all work to set ISOC on a significantly expanded and vibrant path.