

# Board of Trustees Meeting

24 – 25 July, 2009

## President and CEO's Report

L. St.Amour

- 2009 President and CEO Report – L. St.Amour
- 2009 Mid-Year Forecast and  
2010 - 2012 High Level Planning Overview - L St.Amour & G. Kapfer
- Key Initiative Reviews
  - InterNetWorks – L. Daigle
  - Enabling Access – K. Rose/J. McNerney
  - Trust & Identity – L. Lynch
- Key Programs and Department Reviews
  - Strategic Global Engagement – B. Graham
  - Revenue Stream Diversification – J. McNerney
  - Public Policy Review of Strategic Priorities and Partners – F. Donck



## Board of Trustees 2009 President & CEO's Report

Presented by Lynn St.Amour, President and CEO  
July 25, 2009

### Executive Summary

As reported at the March 2009 Board meeting, we are approaching 2009 as a watershed year of globally visible actions and major impacts. We are working to ensure that we maximize our efforts in order to “change opinions and instigate action”. This includes playing more of an advocacy and activist role coupled with significant new efforts to broaden our reach and increase our visibility. We intend to accomplish this while remaining true to our roots and mission, and being conscious of our commitments and responsibilities to the Internet Engineering Task Force (IETF), its related bodies, and the larger Internet Community.

To achieve this effort to change opinions and instigate action, as was discussed previously, it will be critical to have strong and complete alignment across the organization. And, working with our Chapters and *all* Members will be even more critical to our collective success than in past years. This will be achieved by focusing on clarity of messaging and the importance of collaboration across ISOC. The linkage between our strategic initiatives, operations, and member efforts is our 2009 Strategic Objectives. As part of our continuing restructuring we are committed to establishing effective processes, proactive actions, and strong, responsive operational readiness. These efforts will create an efficient foundation on which our strategic direction will be built for the 2010 – 2012 Business Plan.

Given this is the first meeting of the new Board, it is important to provide some context for our upcoming Strategic discussion as well as to highlight the key principles at the base of ISOC's operations.

ISOC's Vision and Mission form the foundation on which our organization operates. Our Core Values are the fundamental principles that guide all Internet Society activities. These are the beliefs and commitments on which we base our mission, and are what holds ISOC together across geographies, disciplines and cultures.

- 1) The quality of life for people in all parts of the world is enhanced by their ability to enjoy the benefits of an open and global Internet.
- 2) Well-informed individuals and public and private policy makers are the essential foundation of an open and global Internet society.
- 3) The genius of the Internet is that its decentralized architecture maximizes individual users' power to choose (or create) and use the hardware, software and services that best meet their needs, and if the Internet is to continue to be a platform for innovation and creativity, its open, decentralized nature must be preserved.
- 4) Enduring and sustainable progress toward our vision is best achieved by a combination of global initiatives and activities at a local level that engage people in their home regions.



- 5) Technical standards and Internet operating procedures should be developed and asserted through open and transparent processes, with minimal barriers to participation or access to information.
- 6) The social, political and economic benefits of the Internet are substantially diminished by excessively restrictive governmental or private controls on computer hardware or software, telecommunications infrastructure or Internet content.
- 7) Rewarding and productive use of the Internet depends on the ability to trust critical services.

**Yet, today many of these are being threatened unlike at any time before.**

ISOC has engaged in a three-pronged effort to address these threats:

### **I. Mid-term: Strategic Initiatives**

These are designed to focus our efforts over the next several years while keeping the overall Internet Model/Principles at the forefront.

- **InterNetWorks** - Focuses on the continued evolution of the global Internet to ensure it remains an open end-to-end platform with all the associated technological, policy, social and business benefits
- **Enabling Access** - Regional and Local Access programs addressing the fundamental impediments to Internet growth and usability,
- **Trust & Identity** - Initiatives to ensure the Internet provides channels for secure, reliable, private communication between entities which can be clearly authenticated in a mutually understood manner.

### **II. Current Year: Operating Roadmap and Business Plan:**

2009 Strategic Objectives - With the Strategic Initiatives anchoring our mid term strategy, we developed an operational roadmap for 2009 that will advance those initiatives and tie them closely to our three year Business Plan and Annual Budget. Given our significant growth and restructuring over the last two years, a key objective of this year's roadmap was to create a high-level alignment among members, chapters, departments and individuals in support of the organization's priorities.

The 2009 Strategic Objectives are meant to provide the platform for our activities and, perhaps most importantly, cohesive messaging organization wide. They answer the question: "What is Most Important to us in **2009**?"

- I. **Internet Model.** Develop a concrete and concise definition of the Internet Model and implement a comprehensive communications plan to embed in users/served markets.
- II. **Health of the Internet.** Advance and be seen to be advancing the Health of the Internet.
- III. **Future Leaders.** Grow and strengthen the pipeline of Internet leaders to enhance the base of support for the Internet Model and Internet development principles.



- IV. **Alternative Revenue Sources.** Develop additional funding sources to accelerate and diversify ISOC's revenues and reach in pursuit of its Mission.
- V. **Chapters & Members.** Strengthen our Chapter and Member Structure to enable partnerships across ISOC that strengthen and enhance our ability to deliver our Strategic Objectives and ISOC's mission.

These Strategic Objectives drill down to other key Goals for 2009 and form the basis of each employee's 2009 Goals and Objectives. They are the basis of my Goals as well.

### III. Long-term: 8 – 10 year Scenario Planning:

As we move to re-examine and update our 3-year plan, an 8 – 10 year Scenario Planning exercise was kicked off by the Executive Team in Q2, 2009 and is scheduled for review with the Board of Trustees commencing with the July 2009 Board meeting.

Scenario planning is used to anticipate possible futures in an environment of significant uncertainty. It is a structured process to help organizations consider multiple futures. The stories that result from this process are intended to emphasize plausible courses of events, *not necessarily probable ones. They are imaginative, and are intended to make the organization aware of possibilities that could have an impact.* The stories are then used as a springboard to help identify robust courses of action that are intended to position it well for any of the possible futures.

Scenarios always start from a question about the future. In this case, the meta-level focal question for the exercise was: "Will the world embrace or resist the open Internet model?" with a second-level question to narrow the field: "What model will be more successful? Command and control? or Distributed and decentralized?"

The exercise resulted in four different stories of how the world might develop over the next eight to ten years.

- Telco Heaven
- Boutique Networks
- Porous Garden
- Common Pool

During the June ISOC Board of Trustees' Executive Committee meeting we decided to bring these stories forward during the July Board meeting as a tool to develop our thinking about the long-term future direction of the Internet Society in order to help develop a robust multi-year Business plan. The bulk of the Board meeting will be concentrated here. The stories and possible responses that ISOC should consider will be reviewed with the Board as we kick off our 2010 – 2012 Business Planning cycle.

### Summary

As we conclude the first half of 2009, we are well positioned to meet our 2009 Business and Financial commitments. We have met our organizational and staffing plan, while remaining within the budget commitments (including allowing for additional support to the IETF), and all significant programs are well underway or on track. With respect to "changing opinions and instigating action", some of the more "impactful" activities to date (although this list is by no means complete) are:



- The ISOC IPv6 Panel that was held at the IETF venue in San Francisco (and another is planned for IETF Stockholm on DNSSEC) are solid examples of visible actions that help promote the "health of the internet".
- INETs have been very successful in communicating and engaging the local Internet community worldwide. We have completed Panama (50 attendees), Cairo (75 attendees), and just prior to the Board meeting will do the Kuala Lumpur INET (120 attendees - we had to stop the registration process!). Delhi, Dakar, and Buenos Aires are still to come. These INETs support strategic policy and technical objectives.
- Public Policy Briefing Papers and activities (such as the Hadopi Intellectual Property Working Group) have been very helpful as both expert papers, and an orientation and mentoring aide for our members and Chapters. Papers to date have been published on: IPv6 Deployment, Multi-lingualism and the Internet (French and English), IXP's. Others are underway, such as: Network Neutrality and Regional Interconnection.
- ISOC is expanding our leadership and convening power in the I\* ecosystem by expanding participation in and impact on international institutions such as the OECD and the ITU.
- ISOC has accelerated its effort to secure grants and other partnerships for both existing and incremental programs. Introductory letters and concept papers have been sent to top-tier funders and we have proceeded to contact these funders. These are foundation leaders with whom we have the strongest relationships.

More information on accomplishments, financial performance and in-depth strategic reviews of the Strategic Initiatives, Business Development, and Chapter/Member efforts are covered more completely in the next section of the President & CEO's report.

# 2009 Mid-Year Forecast and 2010 - 2012 High Level Planning Overview

Submitted by Greg Kapfer & Lynn St.Amour  
July 2009

## Introduction

The 2009 Budget was approved by the Board of Trustees in November 2008 as part of the 2009 – 2011 Business Planning process. With the Strategic Initiatives anchoring our mid-to-long term strategy, we developed an operational roadmap for 2009. The 2009 Business Plan focused on delivering visible action in five Strategic Objectives.

The 2009 Strategic Objectives are meant to provide a platform for our activities and, most importantly, cohesive actions and messaging organization wide. They specifically answer the question: “What is Most Important to us in 2009?”

- I. Internet Model.
- II. Health of the Internet.
- III. Future Leaders.
- IV. Alternative Revenue Sources.
- V. Chapters & Members.

In turn, these Strategic Objectives form the basis of each employee’s 2009 Goals.

At the time of approval of the 2009 Budget, the Board expressed its desire to support the IETF should the global economic conditions negatively impact IETF attendance and its other financial needs. The Board formally resolved that ISOC provide an additional \$150,000 to the IETF to be used to encourage participation in the IETF meetings. The Board also directed ISOC’s management to develop contingency plans to ensure that these attendance “stimulus” funds be available within ISOC’s 2009 budget, and that another \$350,000 in “contingency” funds be made available in case of a further shortfall in the IETF budget.

Although the Q2 financial statements will be distributed to the Board shortly, preliminary results show that we are performing well to the budget. Our full-year forecast (based on May year-to-date actuals) and reflected in this report shows that we will meet our operating commitments, and key programs and deliverables, while honoring the additional commitments to support the IETF. Most notably, we have fully hired to our budgeted headcount (48 full time equivalents - FTEs) by this mid-year point.


## 2009 Mid-Year Forecast and Review

The 2009 Business Plan calls for a 54% increase in non-IETF operating and program expenses. Incorporated in this increase is the addition of 12 staff resources (bringing us to a total FTE of 48) spread throughout the organization.

### Overview – Mid-Year Forecast - 2009

We forecast a positive year-end result that will allow us to meet the commitment to provide additional support to the IETF if necessary. In addition to the planned 2009 surplus of \$372,500,

the current forecast reflects protected funds of \$402,800 that could be made available to the IETF. This amount reflects that the IETF has not yet required any of the stimulus funds offered by ISOC, and in fact is operating at a positive variance vs. their budget due to lower than expected costs for the March 2009 IETF meeting.

Internet Society Statement of Activities and Change in Net Assets 2009 Budget			
	2009	2009	2009 Frst - Greater Than (Less Than):
	Budget	Forecast	2009 Budget
<b>Total Revenues (excluding IETF)</b>	16,708,000	16,690,552	(17,448)
Total ISOC Expenses (excl IETF)	15,061,616	14,812,907	248,709
<b>Surplus (Deficit) from ISOC Activities</b>	1,646,384	1,877,645	231,261
<b>ISOC's Contribution to IETF (incl Capital Exp)</b>	(1,713,900)	(1,562,360)	151,540
Subtotal Interest/Other	440,000	460,000	20,000
<b>ISOC Surplus (Loss) or Change in Net Assets</b>	<b>\$ 372,484</b>	<b>\$ 775,285</b>	<b>\$ 402,801</b>
<b>Change in Net Assets</b>			
Unrestricted Net Assets, Beginning of Period	\$ 7,571,820	\$ 8,920,475	\$ 1,348,655
Unrestricted Net Assets, End of Period	\$ 7,944,304	\$ 9,695,760	\$ 1,751,456

*(The forecast for IETF results assumes attendance goals are met for both Stockholm and Hiroshima. Should that not be the case, ISOC's forecast for a surplus will be reduced in accordance with its commitment for IETF support.)*

### Mid-Year Revenue Review

Revenues continue to track well against the budget. With the exception of NDSS registrations (a February annual event representing less than .5% of total revenues), all categories of revenue are expected to meet budget.

Internet Society Statement of Activities and Change in Net Assets 2009 Budget			
	2009	2009	2009 Frst - Greater Than (Less Than):
	Budget	Forecast	2009 Budget
<b>Revenues (excluding IETF)</b>			
Organization Membership/Platinum Sponsorships	\$ 1,300,000	\$ 1,300,000	\$ -
Individual Member Dues & Donations	8,000	12,000	4,000
NDSS Registrations and Sponsorships	100,000	78,552	(21,448)
Sponsorships and Grants (including Postel; excluding IETF)	300,000	300,000	-
PIR Contribution to ISOC	15,000,000	15,000,000	-
<b>Total Revenues (excluding IETF)</b>	<b>16,708,000</b>	<b>16,690,552</b>	<b>(17,448)</b>

Grants revenues and miscellaneous sponsorships, which are budgeted to increase 250% over 2008's levels, will focus on grants such as that recently received from Nominet (50,000 Euros). However, many grants being pursued are multi-year in nature, and by accounting rules will be only partially recognized in 2009. Therefore, to meet our 2009 revenue goals, we must target a total sum of awards that exceed the 2009 budget for sponsorships and grants. These multi-year grants will help us get a head start on future year revenue targets.

## Mid-Year Expense Review

To support the Board's intent to provide additional funds for the IETF, we are managing ISOC's 2009 operating and program expenses to be approximately \$248,000 less than the 2009 Budget. Most of this savings is from managing staff additions this year. Despite managing the timing of these staff additions, we were largely staffed to budget by the end of Q1 and were fully staffed to budget by mid-year. As we now have some depth within the organization, existing staff has been able to ensure delivery of our near term objectives despite the slight delays in hiring. Note: an additional \$151K in bottom line savings is forecast to come from the IETF itself as the IETF's current forecast shows that expenses will be lower than their budget.

Other factors influencing the 2009 expenses are:

- AMS implementation costs have been higher than anticipated, as staff training costs originally included in the capital budget must be expensed by accounting rules, and a contract DBA was recently engaged to manage data conversion and ongoing data maintenance. These costs are absorbed within the overall 2009 budget targets.
- Program expenses are expected to be slightly (2.4%) below the budget for the year. All Program deliverables are expected to be met.
- Enabling Access program expenses are expected to slightly exceed the budget, as sponsorship grants (e.g., Nominet) require ISOC to dedicate the grant proceeds (and sometimes ISOC matching funds) to incremental efforts beyond those already planned by ISOC.

<b>Internet Society</b>			
<b>ISOC Departmental and Operating Expenses (excl IETF)</b>			
<b>2009 Budget</b>			
	<b>2009</b>	<b>2009</b>	<b>2009 Frctst - Greater Than (Less Than):</b>
	<b>Budget</b>	<b>Forecast</b>	<b>2009 Budget</b>
<b>ISOC Department and Program Expenses</b>			
<u>Departmental Expenses (Including Core Projects)</u>			
<i>Operations Group</i>			
COO & Support Functions	899,342	1,028,491	(129,148)
Education	1,178,183	1,045,428	132,755
Public Policy	1,452,924	1,258,571	194,353
Regional Bureaus	618,294	564,129	54,164
Organization Members	1,112,321	1,005,237	107,084
Chapters and Individual Members	1,176,375	1,199,996	(23,621)
IT	1,289,393	1,431,348	(141,955)
<i>Subtotal Operations Group</i>	7,726,831	7,533,200	193,631
<i>Strategic Group</i>			
Standards and Technology	1,370,364	1,355,641	14,723
Major Strategic Initiatives	844,964	751,734	93,229
Strategic Global Engagement	770,375	791,806	(21,430)
Communications	2,396,581	2,475,807	(79,226)
<i>Subtotal Strategic Group</i>	5,382,284	5,374,989	7,296
Total Departmental Expenses	13,109,116	12,908,189	200,927
<u>External Program Expenses</u>			
Enabling Access Initiative	1,359,000	1,414,500	(55,500)
InterNetWorks Initiative	285,000	208,500	76,500
Trust & Identity	198,500	178,650	19,850
Other Programs/Projects (NDSS, Postel, Grants Research)	110,000	103,068	6,932
Subtotal - External Program Expenses	1,952,500	1,904,718	47,782
Total ISOC Expenses (excl IETF)	15,061,616	14,812,907	248,709

IETF/IASA

IETF/IASA activity is presented separately by the IAOC Chair. In brief, ISOC’s contribution to IETF/IASA is forecast to be \$151,000 less than called for in the IASA budget. This forecast is felt to be slightly aggressive as it assumes attendance meets the budgeted levels for Stockholm and Hiroshima.

Attendance at IETF 74 was on target, and cost savings for that meeting have allowed the IAOC to keep the ISOC “stimulus” (\$150,000) and “contingency” (\$350,000) funds fully available for Stockholm and Hiroshima even after rolling back 2009 meeting registration fees to 2008 levels.

Personnel

Personnel-related costs make up the bulk of ISOC’s operating expenses. As noted above, through careful hiring, ISOC forecasts that it will save approximately \$200,000 in personnel costs while hiring to its full headcount budget.

<b>Internet Society</b>			
<b>2009 Personnel Budget (Full Time Equivalents) - June 30</b>			
<u>Department/Position</u>	<b>2009 Positions</b>		<b>2009 Hires</b>
	<b>Budget</b>	<b>Filled</b>	
<i>Operations Group</i>			
COO and Support Functions	3	3	Administrative Assistant - Geneva
Education	4	4	Education Manager - Latin America
Public Policy/Bureaus	3.5	3.5	Senior Policy Manager (replacement); Policy Manager
Regional Bureaus	3	3	
Organization Membership	4	3	Senior Manager - Europe; Grants position being filled by contract firm for initial program implementation.
Chapters	3.5	3.5	Chapter Coordinator
IT	4	5	AMS Implementation Coordinator; Database Admin added for data conversion in Q3 counted as an FTE
<i>Subtotal - Operations Group</i>	<u>25</u>	<u>25</u>	
<i>Strategic Group</i>			
Standards & Technology	4	4	
Strategic Global Engagement	2	2	Senior Manager (transferred from PubPol)
Major Strategic Initiatives	3	3	Outreach Coordinator; Research Analyst/Writer
Communications	5	5	Sr Comms Manager; Events Coordinator - Europe (replacement)
<i>Subtotal Strategic Group</i>	<u>14</u>	<u>14</u>	
<i>Other Positions</i>			
IAD	1	1	
General & Administrative	8	8	Administrative Assistant - Reston
<b>Grand Total</b>	<u><u>48</u></u>	<u><u>48</u></u>	

Summary – 2009 Mid-Year Forecast

ISOC forecasts that it will meet its commitments for 2009 within budget, while “reserving” enough funds to meet its additional commitments for IETF funding. In summary, we offer some high-level statistics reflected in the 2009 mid-year forecast:

- As stated, this forecast assumes that the IETF may ultimately require up to \$500,000 of additional support not yet reflected in this expense forecast;
- The forecast reflects a Net Surplus of \$775,000 for 2009;
  - The IETF itself is shown to supply \$151,000 of the forecasted Net Surplus, as their expenses are expected to be lower than the budget.
  - Savings from ISOC activities (predominantly personnel related savings) total \$248,000 above the budgeted Surplus of \$372,000.

ISOC management will review the IETF forecast in late third quarter. Should it become apparent that the “reserved” IETF commitment will not be needed, we will seek to accelerate activities that would otherwise be undertaken in 2010 (a year in which ISOC expects a tighter budget – see

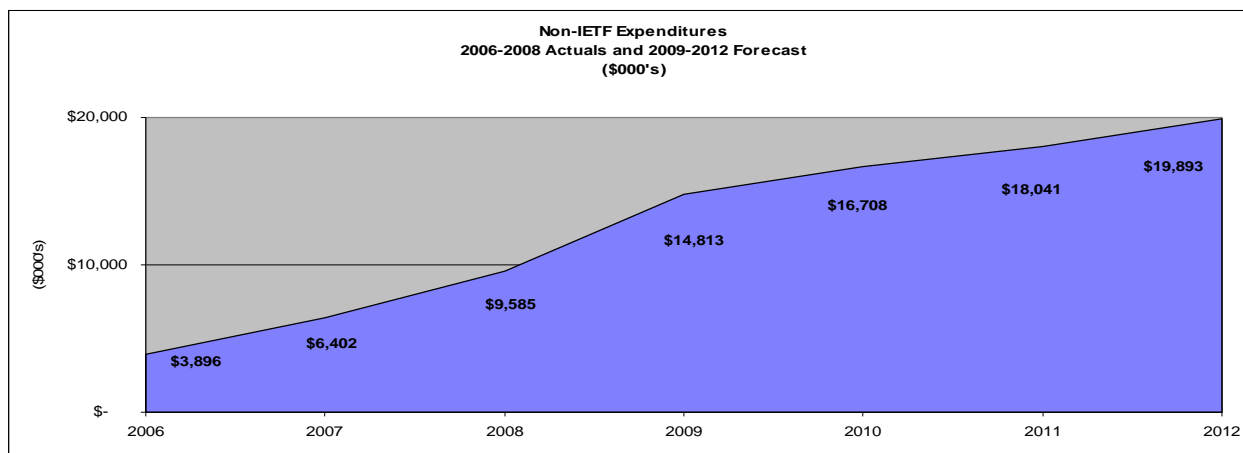
following discussion of 2010 – 2012 financial keys). These areas are expected to be in Business development activities, specifically to bring on new revenue streams and increase support to the IETF and our standards & technology activities.

## **2010 - 2012 High Level Planning Overview and Financial Keys**

From 2006 to 2009, ISOC's expenditures on non-IETF operating expenses and programs increased dramatically. During this period, expenditures increased more than 50% annually. The 2009 forecast, for instance, reflects a 54% increase in non-IETF expenditures over those of 2008.

During this period of growth, ISOC has made significant strides in the new areas of Standards & Technologies, Trust & Identity, and Strategic Global Engagement, as well as increasing resources significantly in the more traditional areas of Education, Public Policy, Chapters and Membership, and Regional Bureaus. In addition, our dramatic increase in Communications and outreach efforts have contributed significantly to the success of our Initiatives, our key programs and our ability to involve new players and invest in new topical and critical areas. All these investments have enabled ISOC to more fully meet its Mission while taking significant steps to impact the deployment of critical developments for the well-being of the global Internet and hence society.

However, even before the recent economic downturn, ISOC anticipated that this period of high growth would end after 2009. Largely based on a long anticipated deceleration in PIR growth (confirmed so far by PIR's revenue trend in 2009), ISOC expects that its rate of expenditure growth will fall to about 12% in 2010 and thereafter possibly to single-digit growth rates. Therefore, we have planned accordingly to ensure consistency and stability in our goals and programs through this planning period.



Other keys to ISOC's financial strength and program trends in 2010 to 2012 will be:

### **PIR Contributions**

PIR's forecast of its contribution to ISOC's charitable mission is based on accrual basis accounting. At the same time PIR strives to maintain an accrual basis net asset balance, PIR expects to continue to be cash-positive based on multi-year domain name sales. ISOC and PIR are jointly monitoring this situation during the projected period of deceleration of PIR growth.

### **Other Revenue Sources**

In addition to the importance of non-PIR revenues to ISOC's Public Support Test, other revenue sources will be ever more important to ISOC's ability to increase its programmatic efforts. ISOC's ability to take full advantage of the opportunities available may depend on our success in finding strategic partners to leverage our resources, and on the availability of public or private grants and foundation funds (discussed further in a subsequent presentation).


### New IETF Revenue Initiatives

A key factor in the IAOC 3-year outlook for IETF funding from the Internet Society is our ability to develop new revenue initiatives to support the IETF's goals. Their mid-term goal is to help reduce or maintain the level of funding from ISOC while holding registration fees constant over the outlook period. ISOC is responsible for developing and implementing these initiatives, which represents an increasingly significant part of IETF funding. Several initiatives are underway which will help increase the IETF's visibility (while contributing only modestly financially) such as an IETF "Roadshow" and some new publication efforts. In addition, planning is progressing on a more ambitious set of activities focused on launching a major fundraising initiative in support of the IETF. If the "reserve" funds are not required later this year, this is, at the moment, the most promising investment area.

### Prioritization of Programs

ISOC's ability to fund major programs at current levels for the foreseeable future is secure. At the same time, ISOC has recently broadened its reach in a number of areas and as part of our three-year planning cycle we will take a more critical look at some of the existing programs with the intent to move them to a self-sustaining model, or in some cases possibly retire them. A review of the Strategic Initiatives and all key programs will be undertaken as part of the next Business Planning cycle. The distribution of all Program funds will be reviewed as part of this activity.

The following financial summary serves as a financial "shell" for the period from 2009 through 2012.

Internet Society Statement of Activities 2010 - 2012 Extended Forecast				
	2009	Extended Forecast		
	Forecast	2010	2011	2012
<b>Revenues (excluding IETF)</b>				
Organization Membership/Platinum Sponsorships	\$ 1,300,000	\$ 1,400,000	\$ 1,600,000	\$ 1,750,000
Individual Member Dues & Donations	12,000	12,000	12,000	12,000
NDSS Registrations and Sponsorships	78,552	88,000	88,000	88,000
Sponsorships and Grants (including Postel; excluding IETF)	300,000	500,000	650,000	800,000
PIR Contribution to ISOC	15,000,000	16,000,000	17,000,000	19,000,000
<b>Total Revenues (excluding IETF)</b>	<b>16,690,552</b>	<b>18,000,000</b>	<b>19,350,000</b>	<b>21,650,000</b>
<b>Total Departmental Expenses</b>	<b>12,908,189</b>	<b>14,457,172</b>	<b>15,541,460</b>	<b>17,095,605</b>
<b>Total - External Program Expenses</b>	<b>1,904,718</b>	<b>2,251,280</b>	<b>2,499,376</b>	<b>2,797,314</b>
<b>Total ISOC Expenses (excl IETF)</b>	<b>14,812,907</b>	<b>16,708,452</b>	<b>18,040,836</b>	<b>19,892,919</b>
<b>Surplus (Deficit) from ISOC Activities</b>	<b>1,877,645</b>	<b>1,291,548</b>	<b>1,309,164</b>	<b>1,757,081</b>
<b>IASA/IETF</b>				
Meeting Registration Fees and Other	2,282,442	2,374,000	2,293,000	2,293,000
ISOC/IETF Sponsorships	770,000	700,000	970,000	970,000
New IETF Support Initiatives	130,761	350,000	500,000	500,000
Expenses (Excluding Capitalized Expenditures)	(4,485,563)	(4,409,000)	(4,831,000)	(5,009,000)
Contribution to Ongoing Activities	(1,302,360)	(985,000)	(1,068,000)	(1,246,000)
Capital Expenditures	(260,000)	(250,000)	(250,000)	(250,000)
<b>ISOC's Contribution to IETF (incl Capital Exp)</b>	<b>(1,562,360)</b>	<b>(1,235,000)</b>	<b>(1,318,000)</b>	<b>(1,496,000)</b>
<b>Other Revenue (Expense)</b>				
Interest/Other Misc. Revenue	200,000	200,000	220,000	242,000
Currency Fluctuations Income (Expense)	-	-	-	-
Add back IETF Capital Exp (accounted for in depreciation)	260,000	250,000	250,000	250,000
Subtotal Interest/Other	460,000	450,000	470,000	492,000
<b>ISOC Surplus (Loss) or Change in Net Assets</b>	<b>\$ 775,285</b>	<b>\$ 506,548</b>	<b>\$ 461,164</b>	<b>\$ 753,081</b>

### Preparing ISOC for the Next Level

Considerable effort has been dedicated in 2009 to ensure that ISOC can continue to operate at a high level even as the very rapid revenue growth we have seen the last few years slows. And, of course with additional staff on board we are stepping up our new revenue generation efforts significantly and important new revenue programs are being introduced as we speak.

In addition, a very focused emphasis has been placed on Communications efforts and we are evaluating a number of campaigns that are expected to propel all our efforts forward. Finally, by the end of the year, the Association Management System will be implemented to improve both ISOC's internal operations and its external operational communications and outreach. These areas are covered in more detail elsewhere in the Board book.

We look forward to the strategic discussions planned for this Board meeting and are excited about the opportunities we see and are confident in our ability to meet them.

# **InterNetWorks Strategic Initiative**

## **Update of 2009 Strategic Actions and Impacts**

**Submitted By Leslie Daigle**  
**July, 2009**

### **Introduction**

The long-term focus of the InterNetWorks initiative is to ensure the continued collaborative support for and development of the Internet in the face of significant challenges. These challenges stem from growth issues (e.g., eventual runout of IPv4 addresses), desires to curtail the Internet for local benefit (e.g., “walled gardens”), and efforts to centralize and control management of this distributed resource.

Q2 saw a number of activities that served to develop more outreach and relationships to impact the core themes of the Initiative, as well as the development of important material for future communication activities.

Where 2009 is focused on building key relationships and messaging, 2010 will be a key transition year as we turn to leverage those relationships to further the reach of education and promotion of the Internet collaborative model as the most effective and globally successful for the future of the Internet. In 2011 and 2012, that thrust will continue, with the expectation that ISOC will play a leadership role in supporting the evolution of the “Internet ecosystem”.

### **Q2 Accomplishments Supporting the InterNetWorks Initiative**

As planned, the Internet Society continued efforts in leading key Internet infrastructure operators to deploy technology advances that are key to the Internet's evolution. Standards & Technology (S&T) held both an invitational Operator Roundtable and a Content Provider Summit on the topic of IPv6 and the impact of transition from the current IPv4 network, and ISOC was recognized as providing a constructive neutral meeting place for discussing important next steps in IPv6 deployment and transition management. S&T continues to contribute to the PIR DNSSEC Coalition as another mechanism to develop and disseminate important messages on securing network infrastructure.

ISOC's Q2 activities continued championing the importance of choice, diversity and robustness at the edges of the Internet, through the launching of the Regional INET series. Both the meetings developed by the Regional Bureaus in Q2, in Cairo and Panama, were well attended. The agendas, with contributions from Public Policy, Standards & Technology and Internet experts, were well received and appreciated, creating and reinvigorating ISOC engagement in both places – thanks to the event, a new Chapter is under development in Panama.

Accurate and actionable material on important network realities and trends remains crucial to supporting leadership, advocacy and communications activities. To that end, in Q2 Public Policy, with contributions from several departments, developed several quick study briefing papers, on the importance of IXPs, Multilingualism, and IPv6 deployment (including the role of government). These will become the basis of enhanced discussions and information sharing

with ISOC membership. Beyond these briefing papers, the Communications department has been developing topical and strategic campaigns, launching the IPv6 campaign in June. This, and subsequent campaigns, will continue into Q3.

This included visible outreach, with ISOC presenting at the 2nd German IPv6 Summit (at which ISOC spoke in the session on IPv6 and the public sector), as well as representing ISOC's activities at various regional network meetings.

Also, Strategic Global Engagement and Standards & Technology worked to coordinate contributions to, and enhanced visibility at, the ITU WTPF meeting in April. These took the form of fact sheets to provide context for discussion of Internet related matters (IPv6, Open Internet Standards, the "NGN", etc). ISOC's contributions, translated into Arabic, Chinese, French and Spanish, were heartily welcomed by several delegations. ISOC continues to promote and encourage the "Internet ecosystem" within the ITU context and elsewhere, most recently developing a fact sheet elaborating the important balance of global management and decentralization in the current system of management of Internet number allocation.

### **Looking Forward – 2010-2012**

The key challenges facing the Internet will continue to be pressures to pull it away from the common and open model – for reasons of business models or security reactions or whatever to drive it towards command and control.

In 2010, ISOC will leverage the relationships built in 2009 to further the reach of understanding and promotion of the Internet collaborative model as the most effective and globally successful for the future of the Internet. In 2011 and 2012, we will leverage that visibility and credibility to lead the Internet's collaborative activities in self-management.

The InterNetWorks initiative will remain key to the Internet Society's efforts to elevate and focus global attention on the value and viability of the common and open Internet. Focus on global addressing will continue to be vital, as IPv6 deployment increases, IPv4 addresses become scarcer, and transition mechanisms are built to accommodate the combined IPv4 and IPv6 realities. Security and stability will always be a critical focus, and in the coming years, as DNSSEC is more widely deployed, it will be important to focus on deployment of infrastructure that leverages DNSSEC and generally moves infrastructure security forward. A key piece of that will be the routing infrastructure, and we hope to get clues about that later this year. Alternative networks are likely to become increasingly important as they become attached and generally impact the expectations of the Internet and its functioning.

Critical to all of this will be continuing to focus on supporting the edges of the network and expanding our audiences and skill in messaging.

### **Conclusions**

The year is progressing well as we are establishing broader contacts and getting important messages out further. It remains a pivotal year in terms of launching the coming years and keeping the Internet model alive and functioning.

# Enabling Access Initiative Report

Submitted by Karen Rose

July 2009 – Q2 Update

## Introduction

The mission of the Enabling Access Initiative is to deliver on ISOC's core belief "The Internet is for Everyone" by expanding the growth, reach, and impact of the Internet, especially in developing world. Our overall approach is to position ISOC as 1) a trusted, visible resource and catalyst for Internet development and deployment, 2) a purposeful incubator of the current and next generation of Internet leaders developing countries and 3) a recognized partner and leader in implementing projects and solutions, both technical and policy, that directly impact the growth and development of the Internet in emerging economies.

The specific programmes and projects of the Enabling Access Initiative seek to address the fundamental impediments to Internet growth and usability from a technical capacity, public policy/regulatory, and/or local leadership perspective. This year, we are also working to bolster our delivery of projects through ISOC Chapters. The programmes and projects as outlined in the 28 March 2009 Board Report are advancing well. This report provides an overview of developments since the 28 March report.

## Staff Developments

Director of Education **Karen Rose** returned to full-time status on 1 July and relocated to the Reston office, after serving in a part-time capacity since June 2008. **Christian O'Flaherty**, of Argentina, joined ISOC as Education Manager on 1 July. Christian will advance our Internet development and access work with a particular focus on Latin America. **Sally Wentworth** joined the Public Policy team on 4 May and, among other responsibilities, she will be working to support policy and regulatory aspects of the Enabling Access Initiative.

## Training and Infrastructure Development Projects

Localization of AfNOG Track 0: This project provides "entry level" networking training in Africa based on AfNOG's "Track 0" curriculum. Inaugural trainings took place with **ISOC Congo-Brazzaville** and **ISOC Ghana** in June and July. In addition to the training, positive knock on effects were also realized, as we received requests for assistance in other Internet development areas, including IXP implementation and ccTLD management. Additional Track 0 events are scheduled in **Rwanda, Kenya, Ethiopia, and Botswana**. These outcomes are an encouraging validation of our strategy to use Chapters as an Enabling Access

delivery mechanism, and we see the project developing strong corridor opportunities in the near term.

*IXP Implementation and Routing Training:* Two new IXPs will be launched in **Kenya (Mombasa)** and **Sierra Leone** by the end of the year. In **Senegal**, plans are underway to conduct routing training in conjunction with local IX implementation activities. Requests for assistance have been received from **Congo-Brazzaville** and **Mali**. The new Latin American Education Manager will be speaking with the **Latin American** IXP operators group about advancing IX development activities in that region.

*Anycast Root Servers:* We have been assisting **Tanzania** and **Bangladesh** with Anycast Root deployment at their respective IXPs. The **Mozambique** IXP is upgrading its infrastructure and has asked ISOC and AfriNIC to assist with root deployment.

*Wireless Access Pilot Programme:* Significant progress has been made on our pilot programme to conduct wireless training and implementation projects in conjunction with ISOC Chapters. Three pilot trainings have been scheduled with the following **Chapters: Nepal, Togo/Benin** (joint project), and **PICISOC**. Should the events prove successful, we would be looking to expand in 2010.

*ccTLD Training:* We trained 14 ccTLDs from the **African** region in May on operations and security issues. The value of this training was evidenced during the Conflicker Virus attack, as the trained operations were better prepared to respond. We are also progressing a modular ccTLD training course with ICANN and NSRC. Associated trainings are planned for **Latin American** and **Asia**.

*NREN Training:* ISOC held a 2-week training on bandwidth management for Universities held in Nairobi, **Kenya** in collaboration with KENET and Aptivate to assist in conserving scarce university bandwidth resources. An multi-regional (**Africa, CIS, Asia**) training on layer 2 campus network design will take place in July in conjunction with NSRC and a **pan-African** advanced routing and interconnection workshop is scheduled for Q4 in conjunction with AfREN.

### **Policy Department Enabling Access Activities**

The Public Policy department is rejuvenating the ISOC briefing series, with a particular focus on Access issues. Papers on IXP issues and multilingual Internet issues have been prepared and will be released shortly, with others following. ISOC has received strong support to convene an African Regional Internet Leadership Forum (ARILF) to provide an opportunity for African Ministers and Internet community leadership to review Internet policy issues of regional importance, including access and development. Support for the event has been

received from the African Telecommunication Union, the African Union Commission, and the Egyptian Telecoms Ministry.

### **Renewed INETS**

Two INET meetings were held in Cairo, **Egypt** on 18 May and Panama City, **Panama** on 29 May. Internet access and development issues featured prominently in both INET meetings, including IXP and interconnection, access and affordability, and multilingual Internet issues. Technical and policy issues were covered at both meetings and received contributions from the Education and Policy department in areas of access and development.

### **Summary:**

In summary, our 2009 project goals for EA are on track, making a tangible impact in developing countries, and providing exceptional corridor opportunities. Requests for ISOC representation at international meetings, to speak on access and development issues is up, with recent invitations to major ITU and World Bank/OECD ICT development events. With our new Education hire in Latin America, a significant portion of our work in the remainder of the year will focus on ramping up activities in that region. Furthermore, we will be focusing on more closely integrating our policy and technical work to deliver a more holistic Internet development impact across the EA Initiative.

## **Trust and Identity Initiatives (T/Id)**

**Report to the Board of Trustees, IETF 75, Stockholm, Sweden**

**Submitted by Lucy Lynch  
July 2009**

### **Introduction**

Work on the Trust and Identity Initiatives in 2009 is primarily focused within two major categories: user managed identity and network confidence. Both are seen as critical to the Internet Society's broader goals which support the health and growth of the Internet Eco-system and the advancement of the Internet Model.

New Board members may find the background provided in my report from the IETF 74 meeting useful:

<http://www.isoc.org/isoc/general/trustees/docs/mar2009/trust-identity.pdf>

### **User Managed Identity**

ISOC continues to make good progress in our efforts to encourage the development, dissemination, and adoption of inter-operable solutions for identity management. Our membership in the Liberty Alliance has now been converted to the Kantara Initiative (<http://kantarainitiative.org/>) and I serve as the ISOC representative on the Management Board. Please see the attached presentation for an overview of Kantara's structure, goals, and some of the proposed work.

ISOC has also joined Internet2 in order to facilitate our shared interest in managed identity and trust enabling "middleware" solutions. For example, ISOC has been asked to help fund the development of a set of open source SAML/Shibboleth aware OpenID libraries through a collaboration with Internet2. They will then partner with the Information Card Foundation, and the Open Id Foundation to provide OpenID support to organizational federations willing to accept user asserted credentials. This multi-solution approach to claims based identity is a new development and one we want to encourage. Recent postings to the Concordia Project mailing list highlight this trend and a recent message (<http://lists.projectconcordia.org/pipermail/community/2009-July/002052.html>) from Don Schmidt of Microsoft captures many of the key points. He says, in part:

"I co-presented with GSA personnel last week in Washington, DC. They are refreshing the eAuthentication Federation Adopted Schemes. It currently includes PKI and SAML. They are planning to add OpenID, InfoCards and WS-Federation.

So any decisions we make about how to support "both protocols", or how to describe the level of identity/authentication assurance for "both protocols", or how to express the level of assurance for attributes/claims for "both protocols" ... is shortsighted."

Trent Adams, our Outreach Specialist to the Identity Community, is coordinating a broad consultation with Identity technologists, policy experts, and early adopters. The resulting report will be used to support our key thrust for 2009: *“User education regarding identity management is essential to achieving trust in the Internet”*. Trent has also taken on a leadership role as Chair of the Leadership Council with Kantara and is well placed to advance both technical and policy work that will further ISOC goals.

### **Network Architecture and Trust**

Enabling trust across the full range of Internet protocols is essential to establishing network confidence and ISOC will be injecting messages into both policy and technical forums in the second half of 2009 asserting that: *“There is a clear distinction between a trusted network and network security”*. We want to make it clear to policy makers that the mitigation of current security vulnerabilities is a short term solution and the long term solutions will require incorporating additions and extensions to the base Internet architecture. We also need to encourage researchers, engineers, and operators to take a holistic view of trust enabling network technologies. Any lessons learned from a fresh look at the design of the Internet must also continue to support the benefits derived from the end-2-end model and must be adoptable within the existing ecosystem. T/Id staff will work closely with the Strategic Global Engagement and Standards & Technology departments to reach the appropriate audiences as we begin this second stage of the T/Id long term plan.

ISOC has just welcomed Karen O'Donoghue in the position of Research Analyst for Networks and Trust. This position supports and assists the Director of Trust and Identity Initiatives by providing research and analysis to further the team's assessment of strategic options, advocacy, and key relationships with internal and external collaborators. She will also coordinate the formulation of outreach strategies and identify partners and relationships that will support deployment of trust enabling network technologies. Her focus in the coming months will be include reviewing current “trust” related work in the IETF in order to develop a taxonomy of network trust. The taxonomy will also help identify shared design elements, possible gaps in development, and known deployment issues. This work will be published as an Internet Draft and follow up work will take place within the standard IETF process. One topic of particular interest will be trust anchors and the possible models for their use and deployment. We intend to engage both the IETF and the IAB in broader dialog as this work progresses.

### **Summary**

ISOC is now well integrated into the technical communities working on Identity and can take an activist role in promoting “user managed” identity to potential adopters in enterprise and government. ISOC will work in the coming year to educate end users about their identity options and the importance of actively engaging in the management of their online “assets”. We also believe that some

of the lessons learned in dealing with hard problems in managing “human identity” (privacy, reputation, authorization, revocation, remediation, etc.) may inform the broader area of network trust.

With the Identity work well in hand, we are now expanding our efforts in the area of network confidence. The focus in the near term will be on current work related to network trust both in the IETF and in academic research efforts around the world. We must not, however, lose sight of the long term problems related to the health and growth of the Internet Ecosystem. Both Identity and Trust will pose significant deployment challenges and our work must include an understanding of the costs and benefits of moving these solutions into active operation on the production networks that make up the Internet.

# Strategic Global Engagement

Submitted by Bill Graham  
July 2009

## Introduction

The goal of the Strategic Global Engagement (SGE) group is to develop and implement strategies and activities to ensure that ISOC can effectively deliver its message to policy makers at the most influential levels worldwide. SGE also provides advice on ISOC's issue-related positioning, influence and execution strategies; leads on partnership development with organizations at the international level and collaborates with the ISOC Regional Bureaus in their respective regions.

SGE is also responsible for developing ISOC's relationships with several I\* organizations by coordinating the Internet organizations' inputs to the OECD and to the ITU, UN, IGF, etc. SGE also plays a strong role in the expanding collaboration between ISOC and ICANN, and leads ISOC's interaction with the US Government on ICANN's transition following the Joint Project Agreement expiry in September 2009.

The SGE team has made significant progress on its work, particularly in terms of clarifying and focusing participation in ITU activities, effectively launching Internet Technical Advisory Committee (ITAC) participation in the work of the OECD, and coordinating ISOC's contribution to the US government's Notice of Inquiry on the future of the DNS Project (ICANN Joint Project Agreement (JPA)). These activities lay the groundwork for ISOC's expanding engagement with global organizations and bolster our reputation for providing accurate information and being an expert trustworthy contributor.

## Impacting International Institutions

In the second quarter, SGE led ISOC's campaign to impact the ITU's World Telecommunication Policy Forum (WTPF), and advised ICANN and a delegation of three RIRs to make their participation more effective. With S&T, SGE prepared comments during the preparatory process and five fact sheets as inputs to the Forum, distributed on site in five languages. Several government delegations told us they found the material informative and useful. ISOC intervened strategically in the Forum, making a strong statement about the importance of the Internet model, providing targeted advice and answering questions from delegates, and helping to successfully limit the portion of the text on NGNs to the recognized ITU mandate.

Staff also reached out to Chapters and Members with background information and detailed pointers/best practices for how they can reach out to their home

governments to inform them on Internet issues and provide them information in order to improve their understanding of our positions ahead of the Conference. Following the WTPF, a detailed report was sent out, describing ISOC activities, including statements and a press release, and requesting feedback on whether any use was made of the provided materials. No responses were received, making it difficult to assess how our outreach efforts can be more effective in future. We will continue to explore other avenues for feedback, as our membership can play a key role in shaping the outcomes of upcoming global conferences, which will certainly impact on governments' approach to Internet institutions and Internet governance. After the WTPF, the participating RIRs and ICANN supported ISOC's leadership of a new listserv to coordinate preparations and participation in the upcoming series of world conferences. S&T and SGE are expanding collaboration with the IAB and IETF to follow and share our respective reports on ITU's standards activities to guide planning for minimal but coordinated and targeted interventions in future.

The other major impact on international organizations has been on the OECD. SGE has now obtained explicit agreement to the Internet Technical Advisory Committee (ITAC) charter from all 18 founding members. The charter details working methods and criteria for membership, as well as describing how new members are to be recruited in future. The members are identifying potential new member organizations. ISOC also led ITAC participation in the recent OECD working party meeting, where RIPE NCC, APNIC and ICANN submitted documents to help focus OECD work on a document on Internet addressing "Measuring deployment of IPv6." SGE's coordination efforts are paying off, and we are well on the way to reaching our goals for this year of having the OECD speaking out in support of IPv6 deployment and the importance of the Internet model.

ISOC's application for accreditation as a non-governmental organization in the United Nations Economic and Social Council (ECOSOC) suffered a setback during the May meeting of the ECOSOC NGO Committee. After many months of working on our application, UN staff wrote to request that we substitute the reference to Taiwan in our Chapter's name with official UN terminology, which is "Taiwan, Province of China." ISOC has consulted with the Taiwan Chapter leadership who are reluctant to change the Chapter name, although they are willing to continue exploring options, because they agree that it is important for ISOC to work closely with the UN.

SGE is also working on other important initiatives to advance our strategic objectives, such as development of an IPv6 workshop for the economies of the Asia Pacific region, preparing for a high-profile presence at ITU Telecom World, launching the 2009 Internet Governance Forum Ambassador program, and preparing for ISOC engagement in two ITU world conferences in 2010, including renewed efforts to involve Chapters and members in outreach efforts to influence their government's positions.

### **ICANN: US Government Notice of Inquiry on the DNS Project**

SGE coordinated preparation of the ISOC response to the Department of Commerce NOI on the Joint Project Agreement with ICANN. Thanks to a series of productive email exchanges and teleconferences with the Board, our response was submitted six days before the deadline, allowing several ISOC chapters and members to indicate support as part of their individual submissions. The response to ISOC's position to end the JPA in September has been mixed, as many other organizations preferred an extension or some new arrangement to extend the US Government's involvement with ICANN pending improvements in several key areas. However, there has been broad support for the second section of ISOC's response, stressing the importance of ICANN playing an explicit stewardship role in its coordination and management of the DNS and taking further actions to improve its governance model. Meetings with Department of Commerce staff in Sydney confirmed that they have carefully read and appreciated our submission, and will be taking it into account when they decide the way forward after the current JPA expires. The level of dissatisfaction with ICANN that emerged from the NOI responses is a cause for ongoing concern, as are the tasks they have in front of them and indicates that this will continue to be a priority for our strategic planning for 2010-2013.

Also on the ICANN front, SGE provided ISOC members with detailed information about the key issues from the staff perspective in advance of the ICANN 35 meeting. SGE also participated in ISOC's preparation meeting held in Sydney to consult and explain ISOC positions in order to increase ISOC's value add and influence across relevant ICANN constituencies.

### **Future Internet Leaders**

SGE has been working with Operations (under Jon McNerney) to develop a framework paper for the Future Internet Leaders program that will bring existing elements like the IETF Fellowships and IGF Ambassadors' programs into a more strategic alignment and to explore partnerships to create a certificate program and encourage the development of the next generations of leaders in the Internet organizations.

### **Summary**

Since its creation 18 months ago, SGE has strengthened the framework for ISOC's reputation and leadership with leading international institutions. Over the next three years there will be several events at the highest governmental and International levels that will impact on our ability to preserve and advance the Internet model, and the effectiveness of ISOC to show leadership in the Internet ecosystem of organizations. It will be critical to develop strong relationships and trust with our partners if we are to influence and direct the outcomes of those events and processes.

## **Revenue Generation**

### ***New Streams***

***Jon McNerney, Chief Operating Officer***

**July 2009**

### **Orientation**

The Internet Society is moving rapidly toward establishing new streams of revenue while reinforcing existing partnerships. At the mid-year point we are pleased with the progress and enthusiastic about the pending results. We have moved quickly in order to realize a rapid impact on key areas:

- Emphasize geographical coverage of Organizational Members
- Build interest and activity with non-classical organization members
- Increase partnerships with groups in line with ISOC mission
- Establish a Formal Grants Program and increase activities significantly with the goal of winning \$250,000 in Grants in 2009
- Increase new and deepen existing revenue streams with IETF
- Create an Annual Giving Program

At the mid-year point, we are encouraged by the 2009 outlook. In spite of a deep global economic crisis we feel cautiously optimistic about achieving our 2009 revenue goals. At this point we have commitments for \$173,750 in new memberships (according to ISOC's membership recognition, a portion of these commitments will be recognized in 2010), which includes a new Platinum member (Comcast). It should be noted that this mid-year amount equals the total amount received in 2008. We are slightly ahead of plan with regards to the goal of the number of new members. Presently ISOC has signed 14 new members on an annual goal of 25.

The key challenge in 2009 is maintaining existing renewal rates. Because the plan was built with the expectation of some key membership downgrades we are aggressively focusing on renewals. The second half of year action plan is to continue to offset these reductions with new members and sponsorships.

### **Geographical Expansion, New Members, and Partnerships**

We are seeing the results of our recently hired (April) multi-lingual Geneva based Senior Manager, Organization Members, Jean-Marc Lilla. Additionally, we have confirmed numerous organizational member outreach events designed to create and foster long term relationships with ISOC. For example, in Europe we have gained interest from business associations (with keen interest in the Internet) such as the Evian Group, Swissnex, TED, and LIFT, as well as engaged with reputable academic institutions such as EPFL (Engineering), IMD (Business

Graduate School), INSEAD (Business Graduate School), and HEC (BGS). Initial outreach efforts have resulted in connections with Bobst, Nestle, CIM On-Line Bank, and many others. The forecast looks strong following our initial territory mapping evaluation whereby we examined ISOC's mission in conjunction with Corporate Social Responsibility programs. In the initial exploration we found 22 European corporations which have programs broadly overlapping ISOC's activities, especially with regards to capacity building, technical access, and education.

In India, ISOC will be co-sponsoring the largest technology and internet event in India: eIndia. During this event we have planned a dinner with some select regional business leaders in order to introduce ISOC to the Indian business community. This will be followed by a larger dinner for executive level managers in September at the Delhi INET and again at the Buenos Aires INET in November. And, once confirmed, the Dubai INET will give us a tremendous opportunity to reach out to organizations in the Middle East.

### **Grants Program**

There has been tremendous progress regarding defining a durable and effective Grants Program. We set an aggressive outreach goal to contact in excess of 20 strategic grantmakers. Collaborating with High Impact Partnering, ISOC built outreach plans for a shortlist of 27 potential grant givers to approach for funding.

Examples of targeted funders include: Aga Khan Foundation (Geneva), Carnegie Corporation of New York, Ford Foundation, Bill & Melinda Gates Foundation, Andrew W. Mellon Foundation, Alcatel-Lucent, and Ayala.

After strategic targeting activities were completed, ISOC made initial contact with a majority of the shortlist candidates; informational packages were sent including: an introductory letter summarizing ISOC's mission and establishing a demonstrated need for furthering ISOC activities; a five page "concept paper" providing key information on ISOC's programs (e.g. investment opportunities) across departments; and four marketing publications on ISOC and its three strategic initiatives. Sending the informational packages to key contacts at each target is the first step in establishing a relationship with potential funders. High Impact Partnering is currently following up on the mailing with phone calls and meetings will be scheduled in the coming weeks for key ISOC staff to meet with funders at which time formal presentations will be conducted. After this dialogue is initiated, ISOC will move to the next step of submitting a formal application to the funding program officers.

### **IETF Revenue Streams**

Developing and delivering additional revenue streams for the IETF is an on-going process. During the first half of 2009, 2 key programs were evaluated and adopted: IETF Event Hospitality Sponsorship and a "Friends of the IETF" (FOI) contribution program (pending Q3 implementation). On one hand, the "Friends" program leverages the very high loyalty and participatory association individuals

have with the IETF, and, on the other hand, the “Friends” program begins to lay down the foundation for possible future initiatives such as studying the feasibility of an endowment program. Friends of IETF will be included in the launch of ISOC’s individual giving campaign this year. Existing members will be offered the opportunity to support the IETF with a contribution in addition to a paid ISOC membership. In addition to the Sponsorship and Friends programs, we have recently begun to evaluate the potential positive revenue impact of an “IETF Roadshow” conference whereby, in a condensed fashion, we construct value-added one-day events which highlight IETF’s value in relation to subject matter or other topical areas of interest.

### **Individual Member Annual Giving Program**

The Internet Society has a dedicated and loyal base of Individual Members. Significant review has taken place regarding the potential positive impact our members could make regarding the long-term financial health of ISOC. It is planned that we will have an efficient, accurate, and consistent program in place by Q3 2009 in order to take advantage of the “donation and gift” period in November and December. This program is not expected to contribute significant funds in 2009; rather it will lay the groundwork for 2010. To that end, we have started an “inventory process” to clean up our existing database information, invoicing procedures, and communication strategies to existing donors and Sustaining Members. As previously noted we are planning to provide an opportunity for our members to donate to IETF as an option in our Annual giving program. We have no plans to design an “a la carte” donation menu for our members, but we do feel it is relevant to provide our members with an IETF donation option due to the value and importance of IETF.

### **Summary**

Due to the rapid implementation of new programs in the first half of 2009 we are highly confident that we can build and implement several cornerstones in the next phase of new streams of revenue during the second half of the year. Our overall mission is to have a wide range of programs firmly in place and productive before the end of the year in order to create maximum and unprecedented output for the quarters and years to come.

# Public Policy 2009 Program

## Achievements of Strategic Directions Q2

Submitted by Frédéric Donck, Director Public Policy  
July 2009

Our public policy program pursues a twofold objective with a view to position ISOC as a recognized leader on internet development issues and a reference partner to key stakeholders at regional and local level.

Our two strategic objectives for the year target:

- An enhanced visibility and partnership with key stakeholders at regional and local level;
- A greater engagement in our Policy Advocacy Programs with our Members and Partners

### 1. Enhanced Visibility and Partnership with Key Stakeholders

- ISOC has already made considerable progress in increasing its reputation and visibility with key actors in the political arenas and in 2009, ISOC's strategic policy objective will be to keep building long term relationships and trust with those regional and local decision makers and develop key events with them to incorporate ISOC principles and Internet model in regional policy agendas. The key strategy will be to demonstrate ISOC's added value with those regional policymakers and regulators who have or will have a decisive impact on our strategic initiatives.
- To achieve these strategic goals, the Public Policy team has implemented numerous high level engagements at regional level over the last few months (as e.g., CODIST, Addis Ababa) and has also strengthened relationships with critical partners in developing countries as CITELE, CTU, UNECA or African Union (Further details on who we have key relationships with as well as the nature of this relationship might be found at <http://www.isoc.org/pubpolpillar/community/>)
- Success will be measured by the degree to which ISOC is seen as a key partner in local and regional internet related debates, and we will strategically review our partnership and areas of cooperation with key stakeholders in developing countries with a view to strengthen the ties between the public policy agenda and ISOC strategic initiatives.
- The team is also expanding both its European and US presence. Our visibility and reputation in Europe are being strengthened through our engagement on critical issues (eg. IPv6, openness, trust & identity related issues) with key European institution representatives as well as European Chapters. Also, thanks to the addition of a new Staff member, Mrs. Sally Wentworth, Senior Public Policy Manager, based in Reston, the team is also expanding its Washington DC presence at a critical moment as the USG takes up issues such as cybersecurity, net neutrality and internet governance.
- Last but not least, the policy team is working closely with the Communications team to develop a Rapid Response mechanism that allows ISOC to react quickly to current Internet policy issues and related press inquiries. Recent press inquiries for an ISOC response to a wave of censorship/filtering laws, questions on Pirate Bay or the recent Hadopi law

underline the need for this internal capacity.

## 2. Greater Engagement in our Policy Advocacy Programs with Communities

Engaging with our membership and partners on top level policy issues has been at the centre of our public policy efforts the last 3 months. In order to meet this critical objective, we operated along three main avenues.

1. Mentorship: Based on critical issues identified through our Strategic initiatives, the public policy team has produced a set of Briefing papers designed to provide background, outline current issues, challenges and opportunities, and provide suggestions as to ways forward on subjects of importance to the ISOC and broader Internet Communities. We have covered the areas of IXPs, multilingualism and IPv4-V6. We are in the process of finalizing papers on issues such as Regional Interconnection, Network management and wireless access.

2. Integrated events: ISOC seeks to encourage the adoption by governments of policies that promote the expansion of affordable Internet access, investment and entrepreneurship through a range of activities focusing on the exchange of good practices, the building of individual and institutional policy capacity, and greater engagement through the membership and other stakeholders with national and regional regulatory agencies. The Policy team has contributed to the agenda of and driven policy sessions of two regional INETs (Cairo and Panama). This has allowed ISOC to share strategic directions with both our Members and regional decision makers on critical internet issues. Our two upcoming INETs in Asia (KL and New Delhi) will allow us to focus more specifically on regional concerns, and particularly global addressing and access.

3. Bottom-up policy development: the policy team has recently launched a members and staff working Party to consider new laws emerging in various countries imposing punitive measures for copyright infringement via the Internet. This project – aimed at producing an ISOC global position on a strategic issue within our enabling access initiative - will utilize ISOC member's experience and expertise at international and local level. So far, more than 25 individuals from Chapters and Organisation members have volunteered to contribute to this position paper.

### **The way forward**

The Public Policy team's activities to date, including the development of more content through the briefing papers, more regional and local visibility through the INETS (and many other regional events which ISOC contributed to) , and more policy engagement through specific targeted campaigns such as IPv6, "enabling access", etc., provide the team with the tools to further ISOC's relationship and leadership with its membership, with its stakeholders and partners and with the policy community as a whole.

We are well on our way to exceeding our 2009 commitments.