

**Board of Trustees Meeting
Philadelphia, Pennsylvania, USA
March 15 - 16, 2008**

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Audit Committee Report to the Board of Trustees of the Internet Society

Submitted by Glenn Ricart, Committee Chair and Treasurer
March 15, 2008

A telephonic meeting of the Audit Committee of the Internet Society (ISOC) was held on December 19, 2007. In attendance were Glenn Ricart, ISOC's Treasurer and Chair of the Audit Committee, Patrik Fältström and Ted Hardie as members of the Audit Committee, and as invited guests Lynn St. Amour, ISOC's President and CEO, and Greg Kapfer, ISOC's Chief Financial Officer.

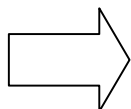
Amendment to the Charter of the Audit Committee

As the first order of business, Dr. Ricart called upon the Committee to review its Charter, as is required of the Committee annually. The committee noted the addition of a Chief Financial Officer in August, and resolved to amend the Charter to delegate to the CFO those responsibilities formerly assigned to the Director of Finance. Such a Charter amendment requires the action of the Board of Trustees. Therefore, the Audit Committee passed the following resolution:

Resolution: Amendment of the Audit Committee Charter.

RESOLVED: The Audit Committee recommends that the Audit Committee Charter (the "Charter") be amended and restated to delegate the responsibilities currently granted to the Director of Finance to ISOC's Chief Financial Officer, and to submit this resolution to ISOC's Board of Trustees for ratification at the Board's next regularly scheduled meeting.

Therefore, the Audit Committee presents the following resolution to the ISOC Board of Trustees for its action:



RESOLVED: That the Audit Committee Charter (the "Charter") be amended and restated to delegate the responsibilities currently granted to the Director of Finance to ISOC's Chief Financial Officer.

Approval of Independent Auditors

Dr. Ricart then called for discussion regarding Management's recommendation that the firm of Grant Thornton be appointed as ISOC's independent auditors beginning with the audit of ISOC's 2007 financial statements. The Audit Committee passed the following resolution:

Resolution: Appointment of Grant Thornton as ISOC's Independent Auditors for 2007.

RESOLVED: The Audit Committee approves the appointment of Grant Thornton as ISOC's Independent Auditors for 2007, including preparation and review of ISOC's annual tax returns.

This resolution does not require confirmation by the Board of Trustees.

Approval of Non-Audit Reviews by Grant Thornton

ISOC's CFO requested that management be empowered to solicit proposals from its newly appointed audit firm to perform certain non-audit reviews. Audit Committee approval is required for employment of Grant Thornton for non-audit functions, according to the Charter. Mr. Kapfer presented the scope of the intended reviews. The Audit Committee approved the following resolution:

Resolution: Approve engagement of Grant Thornton for non-audit services.

RESOLVED: Subject to its review and approval of engagement proposals, the Audit Committee approves engagement of Grant Thornton to:

- (a) review the internal controls surrounding the operation of its Geneva office; and
- (b) review ISOC's worldwide employment practices for local compliance and global tax implications.

This resolution does not require confirmation by the Board of Trustees.

Out-of-Policy Leave Accruals

Mr. Kapfer noted that the former audit firm had commented that vacation leave accruals should be reviewed periodically, and action taken in the cases of leave accruals in excess of company policy. The policy states that, without approval, no more than one year's leave be carried over from one calendar year to the next. Mr. Kapfer informed the Committee that he had performed a review of leave time. Three employees with out-of-policy balances at the beginning of 2007 will still exceed the policy threshold at the end of 2007. Mr. Kapfer pointed out that each of these three employees (a) accrues 4-5 weeks leave each year, (b) had similar carryover in 2006, (c) had taken an average of 4 weeks leave in 2007, and (d) will not likely be able to eliminate the out-of-policy balance by taking leave in 2008.

ISOC's policy does not currently explicitly specify what happens to leave that cannot be carried over from one calendar year to the next. Is it lost? Many would interpret the wording in that way. Or is the employee paid for it?

The Audit Committee recommended that management propose an explicit action for what should happen when employees have leave balances in excess of that which can be carried from year to year under ISOC policy.

Since the excess leave matter was the subject of an auditor's management letter comment, the Audit Committee believes that the 2007-2008 excess leave issue needs to be handled speedily, even if done on a one-time basis in advance of adopting new policy that will apply going forward. While management can exercise discretion on handling the leave for two of the three people involved, the third person is our President and CEO. As CEO compensation falls under the Executive Committee's responsibilities, the Audit Committee recommended that it resolve the excess leave issue as it relates to ISOC's President and CEO. Given the possible ambiguity in the current leave language, it further recommended that the CEO be paid in full for the excess leave. The Executive Committee subsequently approved the payment of the excess leave to the CEO as an extraordinary event in an E-Vote.

Work Item	21 January '08 teleconference	15/16 March '08	19 May 2008 teleconference	28/29 June '08	15 September '08 teleconference	22/ 23 November '08
IETF & IAOC						
		Review 2007 year end forecast. Update on key developments ISOC Board appoints IAOC Rep.		Review LT key directions as pertains to 3 yr. Budget development Review 3 yr high level "budget"	Review of mid-year financial statements	Approve 3 yr. budget
PIR						
		Introductory session – new PIR CEO & Key program review ISOC BoT approves PIR Board appointment process		Meeting between ISOC and PIR Board (1/2 day Friday 27th June) Preliminary 3 year forecast for PIR ISOC BoT kicks-off 2009 PIR Board appointment process	View of 3 year forecast for PIR, 2009 commitment	View of 3 year forecast for PIR ISOC BoT approves 2009 PIR Board appointments

Work Item	21 January '08 teleconference	15/16 March '08	19 May 2008 teleconference	28/29 June '08	15 September '08 teleconference	22/ 23 November '08
INITIATIVE REVIEWS						
		High level update of Initiatives and the Major Strategic Initiative (MSI) – Trust & Identity and their respective programs		Initiatives Review - InterNetWorks and Enabling Access & Programs - High level report on the Trust & Identity & associated Programs		Major Strategic Initiative Review - Trust & Identity & associated Programs
KEY PROGRAM REVIEWS						
Org. Membership				Program Review		3 yr budget as part of overall budget
Chapters/IM's		"Out-of-Policy" Chapter Review Association Membership System Review		Association Membership System Review – Phase I Chapter Development Plan		Association Membership System Review – Phase II

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KEY PROGRAM REVIEWS (cont'd)						
				Other Key Programs reviewed as required and if not covered under Initiatives or MSI: Trust & Identity		

President's Report
Submitted by: Lynn St. Amour
March 15, 2008

Dear Trustees,

The Internet Society has spent the last several years building up our activities and adding critical resources. Last year, the society took one of its most significant steps yet, with the addition of several new senior hires and three new departments (Communications, Standards & Technology, and Global Strategic Engagement). 2008 will continue this transformation as we take the next step in structuring the organization for even greater challenges ahead.

The organizational transformation of the Internet Society is critically important to ISOC's continued success as the organization's rapid growth means that we are outgrowing the current structure. This is one of the most challenging tests facing ISOC this year.

In 2008 we continue our efforts to transform the organization from a small, highly concentrated staff to a global organization with a matrixed, virtual team model. This transformation recognizes that many of our activities happen at the boundaries of our core functional areas: technical and policy, policy and education, etc. In addition, as our capabilities increase we are able to take on ever more strategic, long-term projects, which by their very nature require a broad range of expertise and support.

Last December, the Board approved a plan and a budget for ISOC that moved us from the three "pillar format" (Standards, Public Policy, and Education) to a matrix model focused on a small set of these longer term, more strategic Initiatives.

INITIATIVES:

For 2008-2010, three high level strategic "Initiatives" were approved:

I - Enabling Access Initiative

This Initiative addresses the fundamental impediments to Internet growth and usability. It is comprised of three programmatic areas:

1. Policy, Regulation, and the Access Environment,
2. Technical Capacity Building, and
3. Underserved Communities.

II – InterNetWorks Initiative

The InterNetWorks Initiative focuses on the continued operation of the global Internet. It also is comprised of three programmatic areas:

1. Common and Open Internet,
2. Global Addressing, and

3. Security and Stability.

Finally, the Board gave its support to undertake a new Major Strategic Initiative (MSI):

III - Trust & Identity Initiative -

This Initiative will enable us to become a primary advocate for Trust and Identity, by identifying and promoting activities that resolve some of the most persistent issues in this critical area. Initial activities for 2008-2010 are designed to:

1. Map the opportunities, achieve internal alignment on the Initiative and publish position papers,
2. Engage new audiences and foster increased collaboration amongst appropriate parties,
3. Integrate new communities and build bridges connecting research, standardization, development, and deployment.

OPERATING ENVIRONMENT: INITIATIVES, PROGRAMS, FUNCTIONS & GOALS:

These Initiatives and their key Programs, joined with programs considered “core” to individual functional areas such as Public Policy, Communications, Membership, now serve as the organizing model for all our activities. For reference, these concepts and plans are detailed in the 2008 – 2010 Budget document: <http://isoc.org/isoc/general/trustees/docs/dec2007/budget.pdf> and an update on these is to be found elsewhere in the Board package. A graphical representation of the model is attached in Appendix 1 to this report.

2008 also sees our core departmental activities increase significantly and across the board. We are actively engaged in building strategic level plans in critical functional areas. We are expanding our commitments in all areas of operations while working to establish ISOC as a key partner in the collaborative standards and technology arena. And we are engaging policy decision makers at the highest levels. All these activities will be accomplished through coordination and tight integration of the initiatives and core functional programs.

The ISOC management team is actively working to establish Goals & Objectives for the Initiatives and key Programs (Initiative-specific and functional). This effort is well underway across the organization, and ultimately will form the base of Goals and Objectives for each employee. The graphical representation in Appendix 1 is being produced on our web site, with links to supporting abstracts, descriptions, goals and objectives. It will show the linkages between Programs, and reflect the leaders for the Initiatives and Programs. This tool will be a useful reference and operational guide for our staff, members and stakeholders.

The target date for completion of the first phase of goal-setting is Q1 2008. This effort is extremely critical to ensure focus on the tasks at hand. ISOC as a whole will need to execute well if we are to meet all our commitments.

HR & ISOC ENVIRONMENT:

As reported at the last Board meeting, we are actively engaged across the range of human resource activities as we work to build a supportive and productive environment for all of our personnel. This effort extends well beyond administrative processes and operational systems to include a review of our organization structure. An organization-wide effort is underway to identify improvements that will ensure we are structured properly to deliver as fully and effectively on our mission as possible.

EXECUTIVE TEAM TRANSFORMATION:

As ISOC has grown, so have the opportunities in front of us. This growth and the opportunities we see requires a transformation at the highest levels of the organization. There are new areas of emphasis and some areas simply requiring more support. Below, I outline the strategically important areas for ISOC and where I intend to focus my efforts. I note that by definition these areas are strategic, broad in scope, and multi-year in nature. Success in these activities will depend largely upon the success of the organizational transformation.

THE IMPERATIVES:

1 Additional and Diverse Sources of Revenue:

My first imperative is to build additional and more diverse financial resources. We are very dependent upon revenues from a single source (.ORG). As a mission-based charitable organization we must pay attention to our levels of public funding. As a matter of some importance, for ISOC and for our commitments to the IETF, we need to build up additional revenue streams. Work began late last year in both these areas, and our efforts are steadily increasing here. We need to meet our current revenue targets, while at the same time building resources for the future. This involves sourcing new revenue streams, shoring up our Member activities, and rekindling our efforts in Strategic Fundraising and Grants, etc.

2 Change Opinions and Instigate Action:

Second, with our recent moves to source significant technical and policy expertise in-house, we are now able to participate in the most important technical areas impacting the development of the Internet. Coupled with our expertise in Internet policy and our Major Strategic Initiative – Trust and Identity in the Internet, these new resources provide us with a tremendous platform. We need to maximize both our capabilities and opportunities in these critical areas at what is a very important and challenging time for the Internet. Seizing the opportunity will involve all aspects of the organization. Our efforts must touch and also depend upon communications, member and chapter development, education, policy, standards, and regulation. We will require significant new business processes internally, as well as different delivery and outreach models. **We need to *change opinions and instigate action on key issues***, a much larger endeavor than “educating”.

3 Strategic Partnership Development:

My third imperative is strategic partnership development. We have “partners” with whom we work: ISOC Members and Chapters, IETF, PIR, ICANN, UNESCO, RIR’s, etc. Our common interest is in supporting the Internet’s development and working to ensure the “*Internet is for Everyone*”. And then there are those with whom we aspire to work such as key governments, International organizations, regional policy organizations, etc. We clearly have responsibilities to our current partners, and plans to significantly increase our engagement with them. And we need to work with new partners. Successful execution in this area will require relationship building at the highest levels, strategic reviews and careful prioritization, not only with current partners but also with new organizations to ensure we are using our resources and partners to best advantage.

4 Organizational Transformation:

The fourth imperative will focus on organizational transformation as discussed above. Driving ISOC’s development while transforming the organization is of vital importance. Success will lie in the collective value of our individual efforts.

5 Board Development and Governance:

Fifth, I will work with the Board to advance the Society's governance model and capabilities, and in accordance with the Board's decision late last year, work to further Board Development activities.

Success in these five imperatives is critical for ISOC's future. As I stated previously, this growth requires a transformation at the highest levels of the organization. We are putting in place processes that ensure appropriate transfers of accountability and authority from me to the Executive team. This transfer is important as ISOC needs to rely on its entire management team for future successes and further growth, and I need to reduce my workload. The time is now right in terms of staffing levels and staff readiness.

SUPPORTING INFORMATION:

Supporting Information on our Initiatives, Programs, Departments and Financial Statements is contained in the individual submissions elsewhere in the Board package.

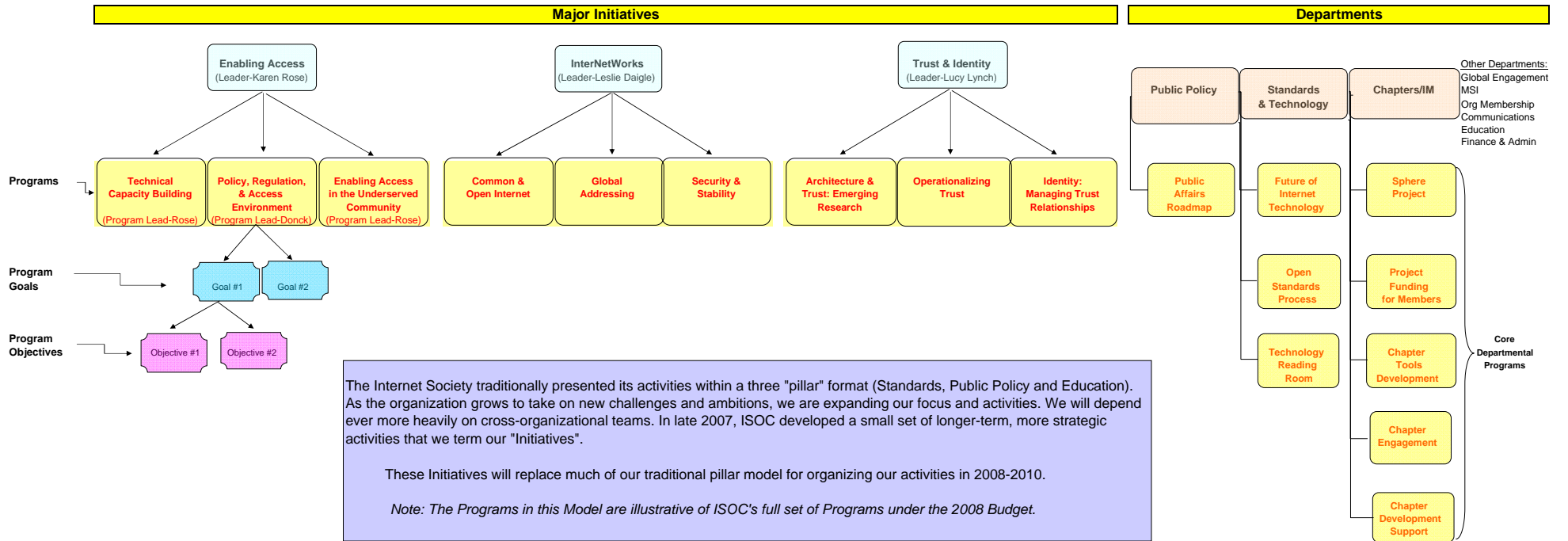
SUMMARY:

Our financial position is healthy and stable. Our organization is growing as is our outreach and credibility in ever widening circles. And the planned organizational transformation is proceeding apace. We will continue to build on the strong platform that we've put in place over the last several years. And finally, as I have said before, we will strive to make this an organization where employees, members and stakeholders feel valued, and where contributions from all are maximized, recognized, and rewarded.

Lynn St.Amour
President & CEO
Internet Society

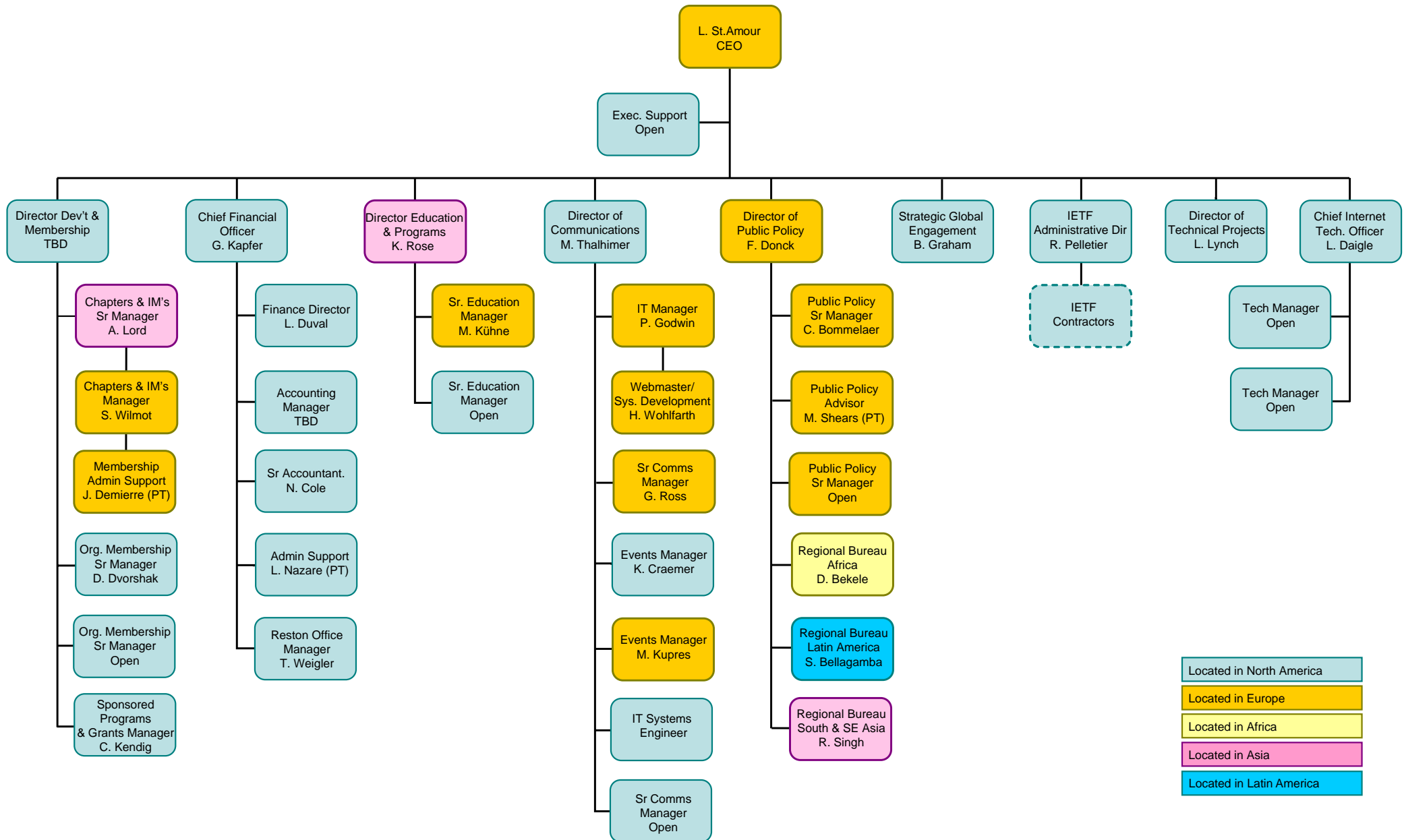
APPENDIX 1

Internet Society Initiative and Program Model





ISOC 2008 Organization Chart Geographic View



- Located in North America
- Located in Europe
- Located in Africa
- Located in Asia
- Located in Latin America

Initiative Reviews

Enabling Access Initiative
InterNetWorks Initiative
Trust and Identity Initiative

Karen Rose
Leslie Daigle
Lucy Lynch

Enabling Access Initiative

Presented by: Karen Rose

March 2008

Introduction

The 2008-2010 Enabling Access Initiative focuses on enabling to addressing the fundamental impediments to Internet growth and usability. It is comprised of three programmatic areas:

1. Policy, Regulation, and the Access Environment,
2. Technical Capacity Building, and
3. Underserved Communities.

Since the board's approval of the budget, ISOC staff have been implementing projects and activities in support of the Enabling Access Initiative goals, as well as developing work plans for new activities that aim to address the multifaceted and interrelated challenges to improving Internet growth and take-up.

1 - Policy, Regulation, and the Access Environment

Goal: To develop a list of "access priorities" through information gathering on local and regional impediments to access, and related policy education needs in lesser developed countries.

Policy and regulatory issues related to Internet access are broad and complex. Staff is undertaking several "mapping" activities to determine access priority issues, policy maker priorities, and points of leverage to enhance ISOC effectiveness and engagement in this space. These include:

Surveying ISOC Chapters and Organisational Members on local and regional policy and regulatory impediments to Internet growth and take-up in developing countries. ISOC Chapters and Organisational Members have a wealth of information and first-hand experience on impediments to greater Internet access in their areas. In addition, what local actors see as significant policy and regulatory impediments may be different to what is currently on national, regional, and international policy agendas for a variety of reasons. A survey, which will be sent to all Chapters and Org. Members, is in development to assess these challenges from a local perspective. The information will be used to create more targeted policymaker education materials, compare local concerns to international activities, identify issues that ISOC should raise and advance in various forums, and assist Chapters in their local policy activities.

Development of a "Policy Roadmap" to gain insight into policy agendas. Led by the Public Policy team, policy and decision makers at a regional and international level will be surveyed and interviewed in order to collect views on key Internet enablers and barriers. The "Roadmap" exercise is anticipated to cover a broad range of objectives and issues (including concerns of decision makers in developed countries and their views on advanced technology issues) but will also contain an access component.

Mapping the international access agenda. Led by Bill Graham, ISOC is developing a map of what issues related to "enabling access" are currently on the agendas of international organisations and forums and how they are being approached. This information will be used to identify points of leverage and priority areas for participating in international access discussions.

Goal: To position ISOC as a valued resource for pertinent information on access issues and basics of the Internet, particularly as it relates to policy and decision-maker education.

ISOC staff is working on a series of “educational” papers related to access issues and technical fundamentals of the Internet. Currently in the works are papers on the elements of Internet infrastructure, IXPs, IP and routing for “non-experts,” and multilingual issues. We will use the results of the Chapter and Org. Member survey to identify additional areas of need in relation to access.

Goal: Encourage adoption of internet friendly public policies, with a view to facilitate the decrease/elimination of regulatory impediments in developing countries.

The Public Policy team is working to develop a “score card” tool to benchmark Internet policies and Internet development globally. The Team has started to list existing Internet Benchmarking initiatives. It has met with the ITU and will meet soon with the OECD in March to compare approaches and explore partnership possibilities. The second stage will consist in identifying possible new combinations of existing data in order to produce a new and exclusive indicator of the “Internet’s development”. The third step will roll-out the concrete implementation of the project (data collection, analysis of the information, disseminate the results). Partnering with a well-recognized organization (e.g. OECD, ITU, Eurostat) will help leverage this project in the future.

The Public Policy team is also in the process of reshaping the current INET towards a more high level policy oriented meeting. The team has worked with each regional bureau (LAC, South and SE Asia & Africa) in order to assess the best way possible to shape regional INET’s according to the local Internet-related challenges. We have also started to identify the best way to lead a regional discussion in Europe. The team and the regional bureaus have explored partnership opportunities in order to attract a broader audience (more policy-makers) and high-level political influencers. Policy and the regional bureaus have set-up a follow-up and coordination process to ensure that these events are prepared in time and rolled out by the end of Q3.

In addition, the Education team and African bureau are developing a compelling agenda for an engaging and informative African INET day, which will be held in conjunction with AfNOG and AfriNIC in Rabat, Morocco in June. The session will focus on cross-border interconnection issues and local traffic exchange. Michuki Mwangi has been assisting ISOC on a part-time short term contract to organise the INET day agenda and help with technical capacity building projects in Africa.

Goal: Encourage decision makers to apply ISOC values when addressing internet development issues.

In order to ensure local experts will be able to participate in international capacity building programs, the Public Policy team is continuing the “ambassadors” program with a view to bringing ISOC ambassadors to IGF India. With the regional bureaus, the team has started to elaborate a more detailed engagement plan. This will include clear tasks for ISOC Ambassadors (participating in roundtables, disseminating ISOC key messages, report formally on the IGF experience, etc.) Later in the year, ISOC will launch the call for interest, evaluate the applications with the regional bureaus and associated experts, communicate the results and prepare the ambassadors for the IGF in India.

2 - Technical Capacity Building

ISOC currently has a position open for a Senior Education Manager position that will focus on the development and delivery of technical training and capacity building programs.

Applications are currently being reviewed and we hope to have the position filled by April.

Goal: To train 850 network operators in the next 12 months (either directly or through partnerships) on internetworking technical, operational or business skills.

ISOC is progressing on several fronts in this area. Firstly, we are working to grow, rationalize and better quantify the training value of our partnerships with various regional and local network operators groups and others. As part of this work, we are developing a set of reporting requirements for our technical training partnerships and sponsorships which will allow ISOC to better gauge the level of training and reach of current programs. Secondly, the Education team and the African Bureau are working on a plan to conduct “Track 0” trainings at the national level in Africa in conjunction with AfNOG. Furthermore, the education team is planning two hands-on ccTLD workshops that will cover more “advanced” operational topics in depth, including security issues.

Goal: To identify new opportunities for technical education

ISOC is currently investigating several new opportunities for technical education, including the development of a wireless networking training curriculum in conjunction with various partners (including NSRC), incubating national-level network operators groups, and opportunities for women’s IT training in Africa, among others. The addition of a new staff resource in the education department will help move various “good ideas” to a more formal execution and planning stage.

Goal: To improve the provision of technical and training information available to network operators in the developing world.

ISOC is currently working with NSRC to revise and improve the Workshop Resource Centre (<http://ws.edu.isoc.org>), making it an easier to use tool for IT students, the contributors of materials to the WRC site, and training organisers. A relaunch of the revised WRC site is planned for Q3.

Goal: To conduct and continuously improve the ISOC Fellowship to the IETF.

Eight individuals will be attending IETF 71 as part of the ISOC Fellowship to the IETF program. A new selection round for IETF 72 and 73 will be launched in April. In addition, we will be launching a “Returning Fellows” program starting at IETF 72, which will allow highly engaged and motivated fellowship alumni to return to the IETF for an additional meeting. In mid-February, ISOC announced Intel as a new corporate sponsor of the program. We are currently creating informational materials on the program for prospective fellows as well as prospective sponsors. Further, in January we issued a Fellowship “Year in Review” report which will be produced annually to highlight the achievements of this important program.

3 - Underserved Communities

The “Underserved Communities” program focus on particular challenges to Internet access that may not be addressed by general capacity building, more traditional regulatory reforms, and market factors. This includes, for example communities using non-Latin language scripts, disabled communities and geographically remote and dispersed communities.

ISOC is currently scoping opportunities to add measurable value in the multilingual space. In addition, ISOC has engaged Arnoud van Wijk on a part-time contract to help coordinate projects related to the use of the Internet by disabled persons. Arnoud, who is hearing impaired, has been an active participant in the IETF, where he has co-authored or contributed to various Internet Drafts and RFCs related to the Real-Time Text standard. He has also been active in the policy, corporate, and non-profit world on ICT disabilities issues. Arnoud will be working to highlight and extend the work of our Chapters in the areas of disabilities access, advance the business case for disabilities technologies, educate policymakers on disabilities issues and advance trials and implementation of the IETF Real-Time Text standard.

Other Activities

The IETF Journal continues to be a well received publication. Many individuals are now approaching ISOC to contribute articles to the Journal. ISOC will be developing contributor guidelines for the Journal and reviewing the publication layout, editorial, and production process with a view towards further enhancing the publication.

InterNetWorks Initiative

Prepared by: Leslie Daigle

March 2008

Introduction

The InterNetWorks initiative focuses on the continued operation of the global Internet, taking the holistic approach to identify issues and opportunities in technology development and deployment for open networking.

ISOC's purposes in this initiative are to identify and help elaborate such cross-boundary network issues; to promote their resolution through open dialog and collaboration of involved entities, in appropriate fora; and to promote and validate the open collaborative Internet development model.

Recent efforts have focused on building out relationships and establishing channels for discussion of general policy matters threatening the openness of the Internet. Also, work is being done to work the technical and policy challenges facing the continued success of the globally addressed Internet: deployment of IPv6.

These are all ongoing activities.

Common and Open Internet Program

The "Common and Open Internet Program" identifies limiters to the common and open Internet model and supporting work to move beyond those limitations. A "limiter" is anything that impedes the natural evolution of Internet operation under the model of a common and open Internet – whether it is a technology or policy that is reaching the end of its usefulness, or new uses or challenges for the Internet as a whole.

ISOC's Strategic Global Engagement is leading the effort to establish a long-term relationship with the OECD. To lay the groundwork for that goal, and with strong support from the Public Policy department, a cross-ISOC effort is underway to contribute to the preparations of the upcoming OECD ministerial (Seoul, June 2008).

The Public Policy department is also developing ISOC advocacy positions on key regulatory issues with a view to protect the end-to-end nature of the Internet within the legal/regulatory environment at regional level. It has started scrutinizing the recently launched EU telecoms reform. The Public Policy department is in the process of coordinating the informal experts' group on two EU key topics for ISOC: Non discriminatory access (aka "Network neutrality") and Addressing, naming and numbering. It has started to elaborate an ISOC position and to defend it through different channels via-a-vis European policy-makers (EU Commission, EU Parliament). ISOC continues to monitor the EU reform process and will soon request the participation of ISOC EU chapters (through the ECC) to help provide ISOC positions to key national government representatives. We also anticipate to contribute to ITU's working groups related to ISOC's UCI project.

Global Addressing Program

The "Global Addressing" program identifies and works to resolve challenges to global Internet addressing (e.g., IPv4 address pool exhaustion, issues in deploying IPv6). ISOC's neutral position and relationships across organizations makes it a natural place to facilitate

communications, contribute to and coordinate the efforts of the standards, operational and RIR communities and facilitate the expression of requirements.

The Standards & Technology and Public Policy departments have been working to develop material data on the state of IPv6 deployment and readiness, as IPv6 deployment is the current best known path to continued global addressing. The target is to position ISOC as a key contributor to the discussion around IPv6 take up, awareness building and education.

The Standards & Technology department is coordinating the upcoming “IPv4 outage” event at the IETF71 meeting. ISOC staff have been engaged in some of the other “IPv6 events” that have happened at recent networking meetings (e.g., NANOG42, in February), and we are collecting data about specific issues that crop up with these different network experiments. Some successes have been noted, as well. Full data will be available at public wiki sites, and the outcomes will inform choices for next steps for ISOC activities.

The Public Policy department project work is underway, developing timelines and initial structure and questions for the survey/engagement with the Organization membership. The aim is to leverage the Organizational membership experience with transitioning to v6. This will then highlight challenges, opportunities and successes. Next steps will involve identifying a select number of key IPv6 experts from membership organizations that will help further refine the survey, etc. The survey should be released end Q1.

Also, in this area, the Public Policy team, Strategic Global Engagement and Standards & Technology department all made substantive contributions to ISOC’s input to the OECD’s paper on the economic aspects of IPv6. The OECD’s paper will be released imminently and will provide a useful overview of the state of play in IPv6 implementation.

Security and Stability Program

The relatively small “Security and Stability Program” aims to support development and deployment of key technologies for ensuring a stable and secure Internet.

Recent work here has been in support of initial work on the Trust & Identity major strategic initiative.

Major Strategic Initiative: Trust and Identity

Presented by: Lucy Lynch

March 2008

Introduction

The Internet Society has embarked on a process which will enable us to become a primary advocate for Trust and Identity, establishing our presence, interest, and credibility in the Trust and Identity arena. Initial activities for 2008-2010 are designed to:

- Map the space, achieve internal alignment and publish position papers
- Engage new audiences and broaden our sphere of influence
- Integrate new communities and build bridges connecting research, standardization, development, and deployment.

The activities envisioned include a series of cooperatively developed publications that will provide both our map and provide opportunities for outreach. Follow-on projects include special tools and audience engagement.

Baseline Studies

Goal's in 2008 include publication of baseline Identity and Research studies. The resulting publications and the relationship developed in 2008 will inform the Current Model Study which should deliver in mid-2009. The partnerships forged for the first two studies will be folded into the team reviewing the Current Model.

- Identity: Managing Trust Relationships
- Network Architecture and Trust: Emerging Research
- Operationalizing Trust: Strengthening the Current Internet Model

Leveraging our Stakeholder relationships

The Consultative Process

The baseline studies offer an excellent opportunity to reach out to both our current partners and members and to engage new audiences through a structured process of research, internal alignment, outreach to additional experts, incorporation of comments and review, final review and publication.

Each study will iterate through a process that includes achieving internal alignment on the research plan, expert participation (via work-groups and round-tables) in the drafting process, and review and comment by multiple audiences. The published document should advocate the values and technologies the Internet Society will advocate as a "best path" forward. The document should also acknowledge the full range of input and concerns uncovered in the consultative process.

Tools, Case Studies, and Test Implementations

Project deliverables for 2008 include development of an open sourced ISOC Identity Audit, at least one Internet2 hosted DKIM workshop, and a published report on security considerations for emerging Identity technologies such as OpenID.

Technical achievements will include a stand alone ID audit tool (ISOC branded) and field deployment of DKIM on the Internet 2 network.

Funding support

Activities planned in 2008-2010 will include a specific focus on soliciting long term partnerships with organizations with a major stake in Trust and Identity. These relationships may result in additional organizational memberships or in co-funding opportunities for major projects.

Department Updates

Public Policy
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Bill Graham
Leslie Daigle
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Public Policy Department
Submitted By: Frederic Donck
March 2008

Most if not all of the public policy activities are direct contributors to ISOC programs and initiatives. In this context, a description of our activities will be found in the "Enabling Access" initiative "under the Regional and Local Access Program, and within the "InterNetWorks" initiative under the "Global Addressing" program and the "Common and Open Internet" Program.

Our departmental public policy programs will be driven by the desire to make a difference in these strategic areas and to position ISOC as both a leader in the political arenas when it's about internet development and a reference partner to key policy and decision makers at international, regional and national level. In this context we have developed public policy projects with a view to demonstrate concrete deliverables, along defined milestones in order to assess the progress made in the respective programs.

Some of the areas where we will be active at the departmental level are:

- Regional Political Forums/Institutions such as the European Union
- Regional Technical/Policy Forums (APRICOT, EIF, etc.)
- Aid in reviewing/drafting policies and regulations related to the Internet
- Internet Governance Forum (IGF)

We will operate to the following principles:

Mission driven approach and greater engagement of Members, Chapters and other relevant Stakeholders – for example the IETF, RIRs, etc.

As a mission based organization, our Public Policy Programs are selected based on (1) their fit with and support of our mission, or (2) their fit with our Initiatives and key Programs, and are based on extensive consultation processes with all members and stakeholders.

Engaging with our membership and other stakeholders will be given specific attention and will be at the centre of ISOC public policy efforts in 2008 and beyond. In practice, it will mean that we will work very diligently to ensure room for members and chapters to be closely involved with either the shaping of the activity and/or its implementation.

Key roles of regional bureaus in public policy

Our renewed approach towards more coherence and efficiency in our public policy activities has also led us to reconsider the role of the regional bureaus and their contribution to the top level objectives. In particular, the Regional Bureaus will be closely associated with the policy activities and their activities will contribute, in a coherent way, to the programs and strategic initiatives at worldwide level. This should allow ISOC to also report on concrete progress made at the regional level within the broader frameworks. And, again, this will also help ISOC public policy to engage in a deeper way at local level while bridging the international and regional level together in a more structured way.

Building on ISOC's technical community roots and broadening its global engagement

ISOC Public Policy, together with the Global Strategic Engagement department continues to build ever stronger collaborative and cooperative engagement models with the Internet technical community, including ICANN, the RIRs/NRO, etc., through channels such as the Internet Governance Forum and other Internet governance and technical policy related activities, as well as the broader technical community through its new role as technical community coordinator for the OECD ministerial in 2008.

ISOC presence and visibility

ISOC has already made considerable progress in increasing its reputation and visibility with key actors in the political arenas (in particular but not only within IGF and OECD) and will strengthen these approaches in the coming years. ISOC's main objective will be to build long term relationships and trust with key decision makers and develop privileged channels to contribute to and drive, as the case may be, the political agenda at both regional and international levels. The priority will be to demonstrate ISOC's added value as a key partner to political stakeholders, in particular those who have or will have a decisive impact on our strategic initiatives. We will therefore strengthen our policy presence within those arenas that we believe will be key for our objectives. Visibility for visibility's sake is not an objective nor is our presence at political level a project in itself: We have therefore repositioned our presence (e.g., IGF) as a channel to achieve key objectives in a particular program rather than an objective or an activity in and of itself. This said, beyond the very important IGF channel, other avenues such as the Regional Institutions (e.g., The European Union), will be investigated, together with key stakeholders in other regions and at the international level.

Again, many of our public policy activities are direct contributors to ISOC programs and initiatives and are included in those submissions. Our departmental public policy programs will work to position ISOC as a leader in the political arenas where Internet development is taking place.

Global Strategic Engagement

Prepared by: Bill Graham

March 2008

Introduction

The Global Strategic Engagement (GSE) function was announced during the December Board meeting, at the time of the appointment of Bill Graham to lead the initiative. As a new activity, GSE is intended to engage with policy makers at the highest level with the goal of increase ISOC's influence, and its positioning as a valued partner providing reliable and objective advice on a range of Internet-related policy issues. In addition, GSE is intended to increase ISOC's profile and engagement with intergovernmental organizations responsible for Internet issues (such as ITU, OECD, UNESCO, etc.), and international non-governmental organizations active in the Internet space, including ICANN. As a horizontal function positioned in the Office of the President, the GSE function is also responsible for ISOC relations with countries such as China, Japan, Korea and Taiwan. Finally, building on its high level contacts to collaborate with and support ISOC's major strategic initiatives and other activities, and to develop a strategy to invigorate ISOC's Regional Policy and Education Advisory Groups (RPAGs)

Comments to ITU World Telecom Policy Forum draft report

The International Telecommunication Union will be hosting the next World Telecom Policy Forum (WTPF) in 2009. The current agenda focuses on many issues of vital interest to ISOC and the Internet community as a whole. As an ITU Sector Member, ISOC is entitled to participate in preparations for the WTPF. The report of the WTPF will be issued by the Secretary General of the ITU, and is already in preparation. To influence the process, Bill Graham prepared a contribution to the ITU process, consistent with ISOC's principles and previous policy statements, and submitted it to the ITU. We have received several positive comments on the ISOC paper. We will continue to monitor the development of the report, and the Forum itself, and provide further reports to the BoT. The ISOC contribution is available on our web site at: <http://www.isoc.org/pubpolpillar/governance/globalengage.shtml>

Comments to the Open Consultation on the Internet Governance Forum

Bill Graham and Matthew Shears attended the February 26 Open Consultation on the Internet Governance Forum and following meeting of the IGF Advisory Group. ISOC's interventions at the Open Consultation were based on the written contribution submitted to the IGF secretariat (available on the web site at: <http://www.isoc.org/pubpolpillar/governance/globalengage.shtml>.) There was broad support for our positions both on the agenda for the 2008 IGF India and the question of rotation of membership in the Advisory Group. In particular, there is good acceptance of the suggestion to focus increasingly on groups of people doing real work, particularly on Internet governance issues that will come to the fore in connecting the next billion (or billions) of users.

Comments on DOC Notice of Inquiry

ISOC submitted comments to the United States Government Department of Commerce Notice of Inquiry launched on the mid-term review of the Joint Project Agreement with ICANN. A brief summary of the position was circulated to Chapter delegates, Org

members and the BoT prior to the ICANN meeting in Delhi, in anticipation that there would be much discussion of the JPA Inquiry during that meeting. While the process for doing this was not ideal, it did prompt active discussion in those three groups that was taken into account and used to improve the position prior to sending it to the DoC. In addition, Lynn St. Amour and Bill Graham consulted widely with the RIRs and other key players in the Internet community during the Delhi meeting. Those consultations both helped to fine tune the ISOC paper, and allowed ISOC an opportunity to influence many other individuals and groups who ultimately made submissions to the DoC supportive of the ISOC position. (The position submitted is available on the web site at: <http://www.isoc.org/pubpolpillar/governance/globalengage.shtml>.)

Subsequently, on February 28, Lynn St. Amour participated as a speaker in an open public forum held by the DoC in Washington, D.C. where she summarized ISOC's position. Our position was very similar to the vast majority of submissions and ICANN committed to taking actions based on these submissions.

Status report on Internet technical community preparations for the OECD Ministerial on the Internet Economy

ISOC is coordinating the participation of the Internet technical community (ITC) to take place before and during the 17-18 June OECD Ministerial meeting on the Internet Economy that will take place in Seoul, Korea. There are three main aspects of this project: coordinating a group of about 12 organizations assembled under the name "Internet technical community" responding to an invitation from the OECD; preparing the ITC declaration or statement to be delivered orally to the Ministerial meeting; and preparing and running a one-day ITC Forum to be held in Korea on 16 June. Preparations are going well on all fronts. The conference has three sub-themes: Creativity, Confidence and Convergence. ITC inputs are organized around those themes. ISOC staff scheduled several calls in January-February to inform Chapter members and Org members about the preparations, to consult on the content of the declaration, and to seek input and speaker recommendations for the ITC Forum. These have been put forward to the ITC coordinating group, and been incorporated into the plans. ISOC took part in an OECD preparatory meeting in Paris, March 5-8. ISOC will have a high profile during the ITC Forum in Seoul, and during the Ministerial itself, including delivering the oral report of the Forum to the Ministers. In addition, Leslie Daigle and others connected with ISOC will participate in panel discussions during the Ministerial. ISOC is coordinating closely with the RIRs, and with Org members interested in the meeting.

Status report on preparations for the APEC Meeting of Ministers responsible for Telecommunications and Information

ISOC is serving as co-organizer of a "Tripartite Dialogue" with 21 Ministers of the Asia Pacific region during their April 21-24 meeting in Bangkok, Thailand, along with the Australian International Telecommunications Users' Group and government representatives. The theme of the Dialogue session is "How can industry, civil society and government work together over the next 5 years to deliver internet access to the next billion users ?" Bill Graham will chair the session, and ISOC has been invited to nominate speakers for the session. Taking place only a few weeks before the OECD Ministerial, this event provides a good opportunity to have discussions with governments and others from the Asia-Pacific region on issues key to developing access in the region.

ISOC new status with UNESCO: Chair of the Joint Programmatic Commission on Communication and New Technologies

ISOC pursued a series of efforts last year to revive its working relationship with UNESCO (official status renewed, participated to UNESCO/Council of Europe joint conference on "Ethics and Human rights in the Information society", official statement at UNESCO's last General Conference). As a result of these efforts, ISOC was invited by the President of UNESCO's Liaison Committee to chair the Joint Programmatic Commission (JPC)(constituted of UNESCO staff and NGOs in relation with the Communication and Information sector of UNESCO). This new role offers ISOC a valuable opportunity to be identified by UNESCO Secretary as a reference partner. It concretely gives us the possibility to set the agenda of UNESCO consultative meetings (3/4 per year). It also constitutes an opportunity for us, if we wish, to develop working documents and/or positions under the UNESCO's JPC flag.

Based on this re-enforced partnership, ISOC will be in a position to leverage its activities in different areas:

1. UNESCO's post-WSIS follow-up: action lines C7 ("ICT applications: benefits in all aspects of life"), C8 ("Cultural diversity and identity, linguistic diversity and local content") and C10 ("Ethical dimension of the information society").
2. Educational activities (e.g. "Education and regional access" project - "Regional and local access" initiative)
3. Using the JPC as a channel to roll-out our "Principles and values campaign" project ("Promoting an Open Internet" major initiative) as we provide input to UNESCO's current draft "Code of ethics of the Information Society".

Negotiation of a cooperation agreement between ISOC and CITEC

ISOC and CITEC (the Inter-American Telecommunication Commission) have initiated the elaboration of a cooperation agreement. We anticipate this agreement to play a strategic role in developing ISOC's regional outreach to high-level policymakers. CITEC is the regional coordination body for ITU work in all sectors, and it is also the only forum that predictably brings together government representatives from all of the Spanish speaking countries of Latin America, the US and Canada. This agreement is essential for ISOC's LAC bureau manager to be able to work in that organization, and to have privileged access to government policy makers who deal with issues critical for Internet development in the region.

Standards & Technology Department

Prepared by: Leslie Daigle

March 2008

The bulk of the Standards & Technology department's contributions are focused on the InterNetWorks initiative. In particular, Standards & Technology has recently

- worked closely with the Public Policy department on preparations for the OECD ministerial and related ITC Forum meeting in June; and
- engaged actively in IPv6-supporting events at open network meetings.

Additionally, the Standards & Technology department continues to be actively engaged in support of open standards, and is developing activities to expand the reach of Internet technical specifications through self-funding publication and/or meeting series.

The Standards & Technology department is expected to expand to three people this year. At the time of this writing, we are close to finalizing our first staff hire, and expect to have identified the 2nd additional hire by early in the second quarter of 2008.

Organizational Membership

Submitted by Drew Dvorshak and Terry Monroe

March 2008

Introduction

The principle elements of the 2008-2010 Organization Member Development Plan center around increasing revenue through (a) retention of existing members, (b) and increased revenue from recruitment of new members and upgrades of existing memberships. Keys to our success will be raising ISOC's profile and driving membership value through increased and improved engagement of current and prospective members.

2007 Membership Revenue

Organization Membership Revenue for 2007 (\$853,700) fell short of the 2007 Budget (\$1,200,000) and the most recent forecast submitted in October (\$1,015,000). Most of the shortfall from the October forecast (\$161,300) is a result of memberships received after year-end, to be counted toward 2008 revenue. Most notably, a \$100,000 Platinum membership contribution did not arrive in December as planned. In addition, several renewal and new memberships were not received until after the year-end.

Revenue Goals for 2008

Member Retention - ISOC seeks to retain 100% of its existing non-platinum members, which would contribute approximately \$675,000 of the \$1,150,000 membership revenue target.

Platinum Members – ISOC has targeted a growth in Platinum membership revenue from the \$300,000 target in 2007 to \$350,000 in 2008 (as noted above, one 2007 contribution has slipped to 2008, resulting in a \$100,000 shortfall in 2007 and an equal windfall in 2008).

New/upgrade Members - The remaining \$125,000 in membership revenue would come from new members or upgrades of existing membership levels.

New Membership Revenue (2008)

As of February 29, we have collected approximately \$65,000 in new 2008 membership contributions. Due to ISOC's method of recognizing these dues over the twelve-month period following receipt, these dues will contribute \$63,542 toward our new membership revenue goal.

This positive result is from the addition of several new organizational memberships for 2008 and upgrades of existing members. The new members (and upgrades) to date are:

- APNIC (upgrade to Gold)
- Ken Stubbs IPC (Professional)
- LINX (Professional)
- Qualcomm (Executive)
- Nominet (upgrade to Gold)
- Limelight Networks (Executive)
- BEA Systems (Professional) (Payment in process and should be received by 2/29)

This early start is a very important step in meeting our revenue goals, since dues collected early in the year count more fully toward our 2008 revenue goals. For instance, \$25,000 in dues received in January fully counts toward our 2008 revenue goal, while the same \$25,000 received in December only counts \$2,083 toward our 2008 goal.

Member & Prospect Engagement

The Membership Department is implementing the comprehensive engagement model detailed in the 2008-2010 Development Plan. We are seeing impressive results as measured by a marked increase in the number and diversity of participants at recent events; an improvement in the substance of content; and increased effectiveness of these events in conjunction with the membership recruitment process. Following are types of engagements that have been employed, and will be continued going forward, with details on recent success.

Advisory Council Meetings- at the December AC meeting, staff presented the 2008-2010 Initiatives, thus establishing a baseline set of opportunities for org. member engagement. In line with this, the March AC meeting will include work on current steps in the Trust & Identity Initiative, the policy team's continuing platform development for IGF Delhi in December 2008 and other ongoing ISOC endeavors.

"Communities of Interest"- There has been a successful response to the request of AC members representatives to go back within their organizations and encourage participation from peers specializing in public policy and other areas related to ISOC programs and activities. ISOC staff has identified the need to be able to draw on subgroups of representatives of organizational members with very specific backgrounds necessary to make desired contributions to ISOC's programs and initiatives. Following are examples:

- **Global Addressing Group**
Following on the success of the December IPv6 luncheon seminar, a follow-up survey was conducted in January that identified specific areas of satisfaction, as well as providing feedback on member interests for future IPv6 activities and suggested forums and activities. The participants formed a base pool from which staff can solicit the participation of people with specific expertise to collaborate on future aspects of ISOC's global addressing work. Next engagements of this team are being planned.
- **OECD Group**
In February, an OECD Internet Technical Community Forum/Ministerial planning conference call was held, with representatives from approximately 20% of organizational members in attendance. This group is the genesis of the "OECD Working Group" which includes individuals with knowledge and responsibility related to the subject to whom the policy group can turn to for assistance. Follow up engagements of this working group are planned prior to the June ITC/Ministerial.

Engagement activities now also serve an additional purpose as a recruitment activity. All of the activities since the announcement of the engagement model and other similar ones in planning will provide for involvement of representatives with interest and appropriate expertise from prospect organizations. The variety of activities provides for both targeted and one-to-many types of prospecting. An example of the latter represents another recent and unprecedented success.

"Distinguished Speaker Series"- On February 20, Membership hosted a dialogue featuring Vint Cerf addressing challenges and opportunities in the Internet space. Attendance was first opened to current organizational members and then promoted to roughly 650 organizational membership prospects as a special invitation to experience one of the values of organizational membership. New ISOC member LINX also promoted the event to its member companies in a similar manner, many of which are ISOC prospects. Over 75 members and prospects registered on-line (providing valuable contact information) to attend. The large majority of these were prospects with whom we are following up.

Chapter Development Program: 2008-2010

Presented by: Anne Lord

March 2008

Introduction

The 2008-2010 Chapter Development programme focuses on four primary areas of development:

1. Chapter policies and procedures;
2. Stakeholder relationship management strategy;
3. Tools, communications and support; and
4. Funding support.

(Note: The membership system development plan is presented separately).

1- Chapter policies and procedures (includes 'out of policy' chapter processes)

The current policy framework for Chapters is documented in 'Policies for establishing new Chapters' at <http://www.isoc.org/isoc/chapters/policy/>. A formal review of the Policy framework will be commenced during 2008 with Chapter delegates. Alongside this, discussion will also be facilitated within the Sphere project in the next quarter.

Rejuvenation of chapters

Operational work commenced in January to take action on chapters identified as having leaders who wish to discontinue their leadership of the chapter. Exhaustive efforts are undertaken to contact a chapter leader to ascertain commitment to the chapter. Where a statement of no interest is given or the chapter delegates are not reachable, work is commenced with existing members to find a new interim committee to rejuvenate the chapter. Chapters reverted to 'in formation' include: India New Delhi, Ireland, Philippines, Canada Toronto, Greece, Scotland UK, and US Hawaii. For a list of all current chapters 'in formation' please see:

<http://www.isoc.org/isoc/chapters/list.php?region=worldwide&status=F&view=detail>

Rejuvenation is continually supported by outreach and support activities one-on-one with chapters. This entails exploring opportunities for joint outreach with other members of the Internet community such as the RIR's and IETF, assistance with finding speakers for events and so forth. In this last quarter, ARIN has supported ISOC LA and ISOC Colorado with free registration to their meetings and will going forward explore mutually beneficial areas of work.

Compliance with ISOC Chapter policies

Work on assisting Chapters to undertake steps to ensure compliance with ISOC Chapter policies has begun and will continue throughout 2008 and beyond. Operating with by-laws and conducting regular elections to select office bearers are two basic requirements (see Section 8 of 'Policies for Establishing Chapters'). A significant number of chapters do not have by-laws or conduct elections. Often compliance is not straightforward: in some countries establishing by-laws requires incorporation. This process can be lengthy and costly and not all chapters have sufficient funds to undertake incorporation.

2 - Stakeholder relationship management strategy

Sphere project

The objective of the Sphere project is to define and improve the relationship and communication between ISOC Global and ISOC Chapters.

The initial phase of the Sphere project is underway. A series of one-on-one conversations with chapter delegates have been initiated concerning the relationship between ISOC Global and the ISOC chapters. Some of the themes emerging from those conversations include:

- Chapter baseline measures and metrics – what is an ‘active’ chapter?;
- Mechanisms to assist collaboration/consultation between chapters;
- Methods to aid consultation between chapters and ISOC Global;
- Protocols to increase the effectiveness of interaction on the chapter delegates list;
- Applying lessons of the social network analysis sites;
- Chapter presence on ISOC’s Web site and domain structure;
- Opportunities to expand support of different languages.

Phase 2 of the project (commencing in March) is to engage with small project teams of volunteers to progress the topics raised in the consultation. It is anticipated that 3-4 of the themes will be taken up at one time. The intent is to move from a situation where chapter delegates can raise issues at any time to a situation where small groups of interested delegates can work together to responsibly raise issues that affect the chapters. Thus a culture is developed that the right to participate is accompanied by a level of responsibility. In supporting improved relationships, the goal is to experiment with new protocols and processes where appropriate.

3 - Tools, communications and support

In the second quarter of 2008, a content review of the information on the Chapter pages of the ISOC website will be initiated. This will be done in consultation with the chapter delegates with a view to gathering information about chapter needs. The results of the work of the Sphere project small groups will be integrated with this work.

Any development of website functionality (including the introduction of new tools) will be closely aligned with the workplan of the Communications team.

Work has begun on a Chapter Handbook, a FAQ style document. As part of this document, a draft on ‘raising sponsorship funds’ will be released to chapter delegates for input and review in the second quarter. The handbook is intended to be a useful living document and one that the chapter delegates can themselves update with experience and examples.

4 - Funding support

Within the funding area, the strategy is twofold: to support and encourage self-sustainability through educative programmes as well as through mechanisms for direct funding. To this end, investigations have begun into the possibility of offering chapter delegates on-line and remote training in fundraising.

As part of the series of e-meetings planned for 2008 a case study of a successful chapter financing model will be presented by ISOC HK, who established a ‘digital solidarity fund.’

Summary

The Chapter Development Programme is intended to support Chapters in their continued evolution to become more active, to work increasingly in partnership with local stakeholders, to become stronger and more engaged with members, to be unified components of the ISOC ‘family’ working towards a common cause and working collaboratively with other chapters. As ISOC grows, development and continued evolution is necessary for ISOC and all its constituent parts.

Communications, Events Support and Information Technology

Submitted by: Mark Thalhimer

March 2008

Introduction

At the beginning of 2008, the Communications and IT Department has undertaken a wide range of projects and activities in support of the Internet Society. The Department currently has five full time staff and one shared staff member (Martin Kupres, transitioning from his previous position in the Membership Department and shared with Finance and Administration in the Geneva office). In addition, the Communications and IT Department is actively recruiting to fill two new positions in the Reston office: a Systems Engineer, and a Communications Manager.

Communications

At the writing of this report, the Communications Department is actively engaged with the Edelman Public Relations agency in a campaign to raise the profile of the IETF and attract members of the trade and general interest media to the IETF meeting (71) in Philadelphia. The location of the meeting in the mid-Atlantic region of the United States represents a unique opportunity to reach out to a wide range of U.S. and International media in a two-fold effort to raise the profile of the IETF and the Internet Society; and to focus journalists' attention on specific Internet-related issues like the transition to IPv6. The Communications Department is coordinating with the leadership of the IETF, related I* organizations, and ISOC's Chief Internet Technology Officer.

Other major efforts in progress or planned for the first quarter of 2008 include the Internet Society Annual Report for 2007; continued improvements to the content of the ISOC website; development of an ISOC style guide; development of an ISOC presentation template; development of an ISOC marketing kit; review of the ISOC newsletter; and continued examination of communications procedures for the organization's globally-dispersed staff. The Internet Society is also embarking on a new effort to translate content from the ISOC website and publications into languages other than English. This effort will begin to reach beyond the traditional efforts to translate a small number of items into French and Spanish. As we consider the best way to allocate budgeted resources to this effort, the Communications Department will seek insight and comment from the ISOC board of trustees and chapter delegates, as well as other members of the community. Also under consideration is an effort to develop a multi-lingual glossary of terms specific to the Internet populated with terms relating to Internet-technology, policy and standards.

Of additional note, after the presentation of the Jonathan B. Postel Award at the IETF in Vancouver, BC last year; the Internet Society arranged for Nii Quaynor to be interviewed on the National Public Radio service, broadcast in the United States and Canada; and on BBC world service, broadcast globally on shortwave and rebroadcast in numerous countries on local AM and FM radio. The BBC radio broadcast has the potential to reach the greatest number of people of any single media in the developing world, making this opportunity to work with the BBC world service an important first step in building global recognition for the Internet Society. The Internet Society continues to be mentioned in articles on websites and in print publications around the world.

Meetings and Events

As a roundup of major events since the last report, the Communications Department took over the management and operation of the annual NDSS (Network and Distributed System Security Symposium) for 2008. The preparation for that conference is on an annual cycle that runs from March of one year to February of the next year. NDSS08, held February 10 – 13 in San Diego, was a significant success as compared with the previous year, with 21 peer-reviewed network security papers presented, and 118 attendees (vs. 65 the year earlier.) One of the papers presented, focusing on a potential DNS security breach, was cited in general interest and trade news media:

www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/02/19/BU97V1R19.DTL&hw=internet+society&sn=008&sc=123

Major event planning currently underway includes the Internet Technical Community (ITC) Forum ISOC is coordinating in connection with the OECD Ministerial Meeting in Seoul, Korea on the Future of the Internet Economy; future Board of Trustees meetings; the Internet Governance Forum (IGF) to be held in November in India; and many other ISOC meetings and events around the world.

Information Technology:

The Internet Society is pursuing an aggressive build out of its IT infrastructure and tools to provide for a number of pending requirements in 2008. With the growth of staff around the world, and the new initiatives and programs, ISOC is outgrowing the infrastructure that has been in place. The long term goal is to use IT infrastructure and tools to enable the ISOC staff to collaborate on their work, to share resources and to better manage their work product for their projects. To accomplish this, ISOC is developing web-based resources that allow for file sharing, calendar sharing, and collaborative project management and tracking. Our preference is to use open source solutions when possible.

The Reston office has installed a VoIP telephone system, in parallel with the VoIP system installed in Geneva last year; and VoIP extensions are being rolled out to all staff currently operating in 14 locations around the globe. The Internet Society is upgrading its internal communications abilities through a new internal wiki, based on the Deki Wiki open source platform. Near-term infrastructure upgrades include improvements in the IT infrastructure and server hosting arrangements; development of a dynamic Content Management System platform for the ISOC Website; development of Web-based file repositories based on WebDAV; and a Tools server accessible under the tools.isoc.org sub domain.

Finance and Administration

Submitted by: Greg Kapfer

March 2008

Introduction

Activities within the Finance Department focus on four distinct areas: financial reporting and controls, support of the organization's operating goals, human resource administration, and administrative activities.

2007 Financial Activities

The Financial staff finalized the 2007 financial statements, and completed the preliminary review with its new audit firm, Grant Thornton. The audit fieldwork will begin April 14.

2008 Financial Reporting Formats

As reported in the 2008 Budget report, 2008 financials will be reported on a matrix basis. The primary results will be reported on a functional departmental level. Supporting information will also be supplied for the primary Programs undertaken by ISOC in 2008. The first such report will be made to the Board of Trustees and other stakeholders for the first fiscal quarter ending March 31, 2008.

Accounting Procedures and Internal Controls

ISOC recently implemented a Web based travel expense reporting system. This system allows ISOC's far-flung employees and contractors to submit expense reports and supporting documents from anywhere in the world, in any currency, and with downloaded information from credit card providers. This system is intended to ease the burden of expense reporting, and streamlines the record-keeping process for the Finance Department.

ISOC will review internal controls surrounding its global operations, including those used in supporting the Geneva office and our project funding and appropriations process.

Organizational Review/Goals and Objectives

ISOC continues to review its organizational structure and management responsibilities as it absorbs senior management staff hired in the past fifteen months, and shifts its primary focus to its strategic initiatives.

To further clarify roles and responsibilities, ISOC held a management retreat the week of January 25 to facilitate the further development of goals, objectives and tasks. These measures are being developed for each of ISOC's seven (7) major Programs, as well as for supporting departments. Although the resultant goals and objectives cover the 2008 – 2010 strategic plan timeframe, specific 2008 objectives will assist in manager reviews for 2008, as well in the development of future strategic plans. This effort is a team endeavour, to culminate in late March.

Employee Compensation Structure Review

In late 2007, ISOC began the process of reviewing its compensation structure and practices. Mercer, a global human resources consulting firm, was enlisted to perform selected compensation level reviews, as well as a review of the statutory employment practices in four countries. These studies supported our current compensation levels and employment practices. In 2008, ISOC will continue to evaluate its employment and compensation programs based on best practices, local market level studies, and country level employment practices.

Employment Practices

Beginning in January 2008, ISOC contracted with HRi, a human resources outsourcing agent. HRi provides a Web based human resources site that will be rolled out to both U.S. and global employees over the next three months. Online time reporting, benefits management, and employee record-keeping will be features. The cost of this service is fully recovered by the savings in lower benefit costs afforded by HRi's volume discounts on U.S. benefits alone.

During 2008, we will work with HRi to review our employment practices and procedures, including our employee manual, our employee documents, and employee orientation procedures.

Overall Policies and Procedures Review

Many of ISOC's overall policies will be reviewed to ensure they are consistent with other entities in ISOC's field, follow industry best-practices, and maintain ISOC's position as an industry leader. Some areas targeted for review include ISOC's delegation policy, travel policy, employment practices, benefits policies, internal communications practices, and a review of the ISOC corporate culture.

Reston Office Lease and Move

ISOC has negotiated lease terms for its Reston offices. By the end of July, a space plan will be developed for both ISOC and PIR, and the new space will be configured in the existing building. Physical relocation is expected in either June or July. We have negotiated a five-month lease abatement period, with the resultant savings expected to cover our costs of relocation, buildout, internal wiring, and any required new furniture.

Report on Association Management System (AMS) – formerly, the “Membership System”

Submitted by Terry Monroe

March 2008

Introduction

This report provides a description of action since December related to the membership system initiative. At its December meeting, the BoT approved the Business Rules in Membership System (BRIMs). The BRIMS document provides a framework for business rules which define ISOC member (individual and organization), chapter and staff interaction with the ISOC membership system.

Moving forward from BRIMs, we have developed a four-phase process for proceeding with the Association Management system project. The four phases of the project are:

Phase 1 (Needs assessment, member consult, develop RFP) – Underway – June 2008

Phase 2 (Issue RFP, seek bids, select vendor) – June – August 2008

Phase 3 (System Development) – TBD depends upon vendor chosen – OTS or Open

Phase 4 (Roll-Out and Implementation) - TBD

Each phase will include active consultation and collaboration with all stakeholders (members, chapters, staff).

We have begun Phase 1 of the project, having selected a systems architecture and development firm. This firm has experience in facilitating the complex processes that go into identifying and selecting ASM/membership system components, including experience with a full range of solutions (open source, proprietary systems, off-the shelf, and custom database solutions). In addition, they are very familiar with consultation and buy-in processes across multiple stakeholders.

Membership System to Association Management System

As became apparent during the work on BRIMs, addressing the membership system raises issues and practices that go beyond implications for the membership system and touch on the broader question of ISOC’s membership policy and other management and integration needs within ISOC. As such, we have initiated the next step in the review of ISOC membership policies and procedures. This will be done in the context of the Chapter Development program and we will incorporate into that review information already collected during our discussions with chapters and members regarding the business rules.

Further, in moving forward with this initiative, it became clear that it was necessary to incorporate other administrative and management needs across many different stakeholders. These include chapters, individuals, ISOC program staff (policy, education, standards and technology), organization membership, events, and finance as they have database/records/IT/mail/mail list needs that are best served by being fully integrated with the ‘membership system’. Those needs can be very broad, and in many instances, create interdependencies. Some examples of current and potential requirements include:

- Managing global and chapter memberships – locally and centrally
- Tracking customer relationship management (CRM) activities related to organization members, sponsors and contributors

- Consultation support structures and membership linkages – blogs, wikis mail lists, tied to membership and specific geographic and topical interests
- Events management and registration
- Member billing
- Grants/fundraising
- Integration with ISOC website and IT tools

Designed and implemented correctly, a new “Association Management System” will provide ISOC with the ability to enhance the experience of all members, to facilitate chapter management and to streamline and improve ISOC business processes. With respect to the latter, a goal is to integrate much of the data and automate certain processes that are difficult to perform, so that staff can view all or most information in one place, and reports can be far more comprehensive and insightful.

Next Steps

Below is a list of near-term steps to move forward with this initiative:

- Assign an ISOC Project team and Project leader – In-house guidance and project coordination is important to the success of this project. This team should draw upon personnel from the Membership department (Chapters and Organization Membership) and will also involve senior management, notably the CFO and the CEO. An overall Project leader will be appointed. Status: The Team is being finalized and both the team and the Project leader will be announced soon.
- Create a steering committee - Given that this initiative and the outcomes from it will impact numerous stakeholders within the ISOC community, we propose to expand the breadth of the working group (currently comprised of chapter delegate volunteers) to also include representatives from organization members, and ISOC staff (program and IT). The mission of the steering committee would be to provide guidance and support to the Project Team and consulting firm. Status: The Committee is being finalized and will be announced soon, chapter volunteers are already in place.
- Engage a Development Firm – This firm is responsible for working with the steering committee and with the ISOC project team to complete Phase 1 and 2 of the initiative. For Phase 1, the outcome would be a Summary of Requirements (SOR) document that identifies core functional needs and key processes. All stakeholders will be consulted and our goal is the highest level of buy-in possible. This document will also review a sample of systems developers, vendors and software solutions to determine where there is a good fit and to document potential gaps. This is not the RFP process, but rather a process that will allow ISOC to determine whether more detailed requirements are needed and the likely direction of the project’s next phase in terms of either selecting a specific solution and/or customizing an existing platform. It will help tailor the RFP and RFP process. Status: The firm has been chosen and starts first week of March.

This activity is of critical importance to ISOC and has the attention and support at the highest levels of the organization. It will continue to have the attention and support until it has been successfully implemented.

2007 Year-End Review

Submitted by: Greg Kapfer

March 15, 2008

Introduction

2007 has seen the continuation of the restructuring effort begun in 2005 under the Strategic Operating Plan. ISOC's dramatic growth in resources, both in financial and human capital, has transformed the organization in every area of strategy, programs, and infrastructure. ISOC has moved from a small, highly concentrated organization to a geographically dispersed, matrixed management model focused on achieving programmatic objectives.

The Power of Human Capital

Beginning in the latter half of 2006 and extending through 2007, ISOC recruited and engaged senior managers in virtually all areas of its operations, including:

- Director of Education
- Director of Technical Projects
- Director of Memberships (in addition to direct reports in Chapters and Org Membership)
- Director of Communications
- Chief Financial Officer
- Director of Public Policy
- Chief Internet Technology Officer (& addition of a Standards & Technologies function)
- Strategic Global Engagement Chief

In addition, ISOC initiated a key strategic program in the formation of three (3) regional bureaus.

Strengthening Stakeholder Relationships

During 2007, ISOC focused on strengthening its relationships with a wide variety of stakeholders in support of its mission.

- ISOC continues to dedicate itself to support the goals of the IETF, and to furthering the model of support through IASA.
- We strive to increase our outreach to members and chapters, and to seek opportunities to engage them to advance ISOC's vision.
- We recognize the importance of the Public Interest Registry to ISOC's goals, and continue to deepen that relationship.
- Finally, ISOC has actively pursued opportunities to raise its profile and visibility in the global community, to solidify its position as a leader and a champion of the principles of the Internet around the world.

Beyond The Programs

In addition to specific program commitments to fulfil our mission, ISOC:

- Increased member and chapter participation in those areas most essential to the Internet's development, as well as to ISOC and our activities;
- Introduced a strategic Chapter Development program (with the goal to help Chapters reach their full potential within ISOC and become key components of ISOC's activities on global and local levels);
- Developed a multi-year Organization Member Development program;
- Identified a major long-term, multi-partner strategic initiative;
- Strove to create more value for all our members and chapters;
- Deepened our relationship with our partners in the Internet Community;
- Built on our very successful Education and Public Policy activities.

Financial Strength and Managing Change

The Finance Department has sought to support ISOC's management changes and growth in the scope of its programs through the budget and planning process.

A high level financial review is demonstrated by comparisons of the 2007 financial results to both the 2007 Budget and the 2006 financial performance.

Internet Society Statement of Activities and Change in Net Assets For the Year Ending December 31, 2007				
	2007 vs. Budget			2006
	Actuals	Budget	Fav (Unfav) Variance	Actuals
Membership and Program Revenues (excl IETF)				
Organization Membership Revenues	\$ 853,754	1,200,000	(346,246)	\$ 1,087,152
Individual Member Dues & Donations	7,125	15,000	(7,875)	5,550
Miscellaneous Sponsorships/Postel Award/NDSS	141,435	281,225	(139,790)	213,608
Total Member/Program Revenues (excl IETF)	1,002,314	1,496,225	(493,911)	1,306,310
ISOC Department and Program Expenses (excl IETF)	6,402,227	9,516,476	3,114,249	3,877,472
IETF/IASA				
Revenues	2,895,377	2,802,500	92,877	2,323,849
Expenses (including G&A)	(4,291,810)	(4,127,607)	(164,203)	(3,578,280)
Subtotal IETF/IASA	(1,396,433)	(1,325,107)	(71,326)	(1,254,431)
PIR and Other Revenue				
.Org Contribution (quarterly)	9,700,000	9,700,000	-	6,060,300
Interest/Other Misc. Revenue/Currency Fluctuations	227,302	93,000	134,302	90,076
Subtotal PIR/Other	9,927,302	9,793,000	134,302	6,150,376
ISOC Surplus (Loss) or Change in Net Assets	\$ 3,130,956	\$ 447,643	\$ 2,683,313	\$ 2,324,783

(Financial Information is preliminary, pending finalization of year-end financial statements and completion of the 2007 audit. IETF figures are preliminary, pending final Secretariat accounting from the December IETF meeting-Vancouver.)

Membership and Program Revenues

Revenues from Organization Members and program sponsorships did not meet expectations for 2007. In addition, these results showed a decrease from the results of 2006. A portion of this shortfall and decline are explained by year-end timing of the contributions from some of ISOC's significant donors, including approximately \$165,000 in contributions scheduled for receipt in 2007, but received shortly after the end of the fiscal year 2007. In addition to these timing issues, ISOC fell \$100,000 short of its Platinum membership goal, and had fewer event sponsorships (excluding the IETF) than anticipated.

ISOC Expenses

ISOC increased its year-over-year spending (excluding the IETF) from \$3.9 million in 2006 to \$6.4 million in 2007 (a 65% increase). Even so, ISOC fell short of its 2007 budget for expenditures of \$9.5 million, which would have represented a 145% growth in expenditures.

The largest single impact was created by a conscious decision to proceed slowly with the Major Strategic Initiative and Smaller but Substantive Initiatives (\$1 million impact). The remaining shortfall against budget occurred in (a) personnel costs as several key positions were filled late in the year, and (b) programs such as the User Centric Internet (UCI) that were deployed more slowly than expected (largely as a result of these same delays in hiring).

IETF/IASA

IETF meeting registration fees fell short of the plan, as attendance continued to decline for the three meetings in 2007. However, the one-time \$100 fee increase for Vancouver (\$110,000) helped offset a portion of this loss. In addition, ISOC obtained sponsorships for all three IETF meetings, and the NOC hosting model increased the level of funding secured for IETF operations (offset, however, by increased NOC hosting costs in this full-service model).

Expenses were held below the budget in many expense areas, such as RFC Editor and copy services, Secretariat costs, and IETF/IAB support costs. At the same time, the IETF incurred increases in other key expense areas. Most notably, meeting costs continue to rise, representing increased site venue and food costs. In addition, NOC costs under the hosting model added approximately \$240,000 to expenses (approximately equalling and offsetting funds generated from NOC host contributions).

Largely as the result of the lower meeting attendance, ISOC's contribution to the IETF is preliminarily shown to be \$71,000 more than budget (the final figures for Vancouver are expected to bring this budget overage down to approximately \$50,000).

PIR Contribution

PIR's contribution to ISOC continues to expand, growing from \$6 million in 2006 to \$9.7 million in 2007 (a 60% increase). This contribution will rise to \$13 million in 2008.

ISOC Surplus and Change in Net Assets

ISOC realized a positive surplus from all activities in 2007 of \$3.5 million. This surplus is greater than the budget for 2007, the result of lower departmental and MSI spending as noted above. This surplus will provide financial stability as ISOC continues to increase its level of program expenditure (see analysis of Operating Reserves below).

Cash and Net Assets

In both 2006 and 2007, ISOC's cash reserves improved substantially. In the span of those two years, the company increased its unrestricted cash balance by \$4.2 million (to \$5.7 million at the end of 2007).

Under its Operating Reserve Policy, ISOC strives to maintain a cash reserve sufficient to fund six (6) months of operations, plus meeting guarantees for the next two IETF meetings. The current cash reserves represent 9.6 months operating reserves when measured against the 2007 expenditure level. However, given the planned increase in expenditure levels for 2008, these reserves represent only 7.7 months of operating reserves on a forward looking basis.

Public Support Test

ISOC continues to monitor and forecast its compliance with the Public Support Test, one test by which the U.S. taxing authority measures an organization's ability to maintain a status as a Public Charity.

In 2008 (in the tax return filed for 2007), ISOC will have fallen below the 33.33% Public Support Test limit, and will file a "facts and circumstances" report required to maintain its Public Charity status. Several tax advisors have assured ISOC that dropping below the 33.33% test poses no serious risk to ISOC's Public Charity status as long as we file and pursue a plan to return to the minimum level. However, should ISOC fall below a 10% level in this test, ISOC will need to pursue other alternatives to maintain its status. The 2008-2010 Plan (see page 45 of <http://isoc.org/isoc/general/trustees/docs/dec2007/budget.pdf>) included a sensitivity analysis through the tax filing due 2014. A full review of the Public Support Test is scheduled for the summer meeting of the Board, as indicated in the Board Work Plan.