

**2009 – 2011 Business Plan
and 2009 Budget**

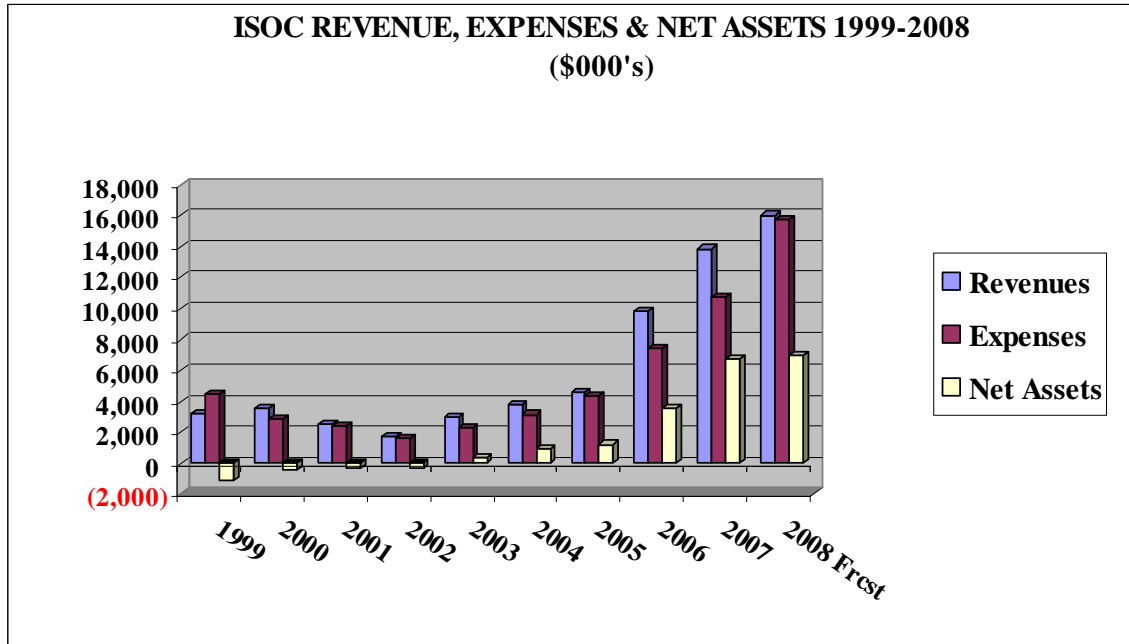
Report to the ISOC Board of Trustees

Table of Contents

- I. Introduction**
 - II. Revenues**
 - a. Organization Member Sponsorships and Dues**
 - b. Individual Member Dues and Donations**
 - c. Sponsorships and Grant Proceeds**
 - d. PIR Contribution**
 - e. New IETF Support Initiatives**
 - f. Alternative Revenue Opportunities**
 - III. 2009 – 2011 Goals; 2009 Objectives**
 - a. Initiatives – Strategic Direction – 2009-2011 Goals**
 - b. Initiatives – 2009 Objectives and Activities**
 - c. Supporting Functional Roles**
 - IV. ISOC Expenses**
 - a. ISOC Expense Budgets – Departments**
 - b. ISOC Expense Budgets – Programs**
 - c. General and Administrative Expenses**
 - V. IETF/IASA**
 - VI. Capital Expenditures**
 - VII. Personnel**
 - VIII. Cash Reserves**
 - IX. 2010 – 2011 Forecast**
 - X. Public Support Test**
- Appendices:**
- Appendix A – ISOC Budget and Three-Year Forecast**
 - Appendix B – IASA’s IETF Budget**
 - Appendix C –Functional Organization Chart**

I. Introduction

The 2009 budget year represents the seventh year of the growth cycle begun in 2003. Over this seven year period, ISOC has seen dramatic growth in Revenues, Expenses, and Net Assets. This growth allowed ISOC to become a more visible and stable influence in the long term evolution of the Internet.



While Revenue growth has been dominated by PIR's contribution to ISOC programs, financial support and leadership from members and donors continues to ensure the ongoing success of ISOC's mission. Revenue growth has enabled ISOC itself to contribute more fully to key programs to further our mission. These programs, led by a community of industry volunteers and ISOC personnel, are the vehicles to help make the Internet a global tool for worldwide communications and development. ISOC's support of the IETF, plus our outreach efforts in Public Policy, Strategic Global Engagement, Education, and Standards and Technology remain central to our 2009 plans.

Finally, careful stewardship from ISOC's Board of Trustees has helped ensure the responsible build up of sufficient Net Assets to ensure the long term viability of ISOC's programs and mission.

On a summary level, the 2009 Budget reflects a surplus of \$1,646,000 from all activities other than ISOC's contribution to the IETF. An increase in the PIR contribution allows ISOC to increase both its staffing and the funding of initiatives and programs described in this Budget.

As budgeted, this surplus is then dedicated as ISOC's contribution to the IETF. This contribution is budgeted to be \$1,453,000 for ongoing activities plus \$260,000 for capital expenditures for the enhancement of supporting systems (See **Section V.** for a more detailed discussion). Compared to the 2008 IETF/IASA *budget*, ISOC's commitment to fund the operating portion of the IETF/IASA budget would be \$109,500 *less* than the 2008 budget, but the 2009 capital budget would be \$160,000 *greater* than the 2008 budget. Compared to the 2008 *forecast* (which is expected to be better than the budget, ISOC's 2009 operating commitment is budgeted to be

\$58,600 higher, while expected 2009 capital expenditures would be \$165,000 greater than in 2008.

In this Budget Package, we will present further financial information, including detailed revenue assumptions, expenditure and program plans, and their impact on ISOC's Cash Reserves and Public Funding tests.

Internet Society Statement of Activities and Change in Net Assets 2009 Budget					
	2009 Budget	2008 Forecast	2008 Budget	2009 Compared to 2008 Frkst 2008 Budget	
Revenues (excluding IETF)					
Membership, Sponsorships, NDSS	\$ 1,708,000	\$ 1,376,480	\$ 1,419,500	\$ 331,520	\$ 288,500
PIR Contribution to ISOC	15,000,000	11,500,000	13,000,000	3,500,000	2,000,000
Total Revenues (excluding IETF)	16,708,000	12,876,480	14,419,500	3,831,520	2,288,500
ISOC Department and Program Expenses (excl IETF)					
Departmental Expenses (Including Core Projects)	(13,059,116)	(8,935,000)	(10,143,858)	(4,124,116)	(2,915,257)
Program Expenses	(2,002,500)	(1,870,000)	(2,624,500)	(132,500)	622,000
Total ISOC Expenses (excl IETF)	<u>(15,061,616)</u>	<u>(10,805,000)</u>	<u>(12,768,358)</u>	<u>(4,256,616)</u>	<u>(2,293,257)</u>
Surplus (Deficit) from ISOC Activities	1,646,384	2,071,480	1,651,142	(425,096)	(4,757)
IASA/IETF					
Meeting Registration Fees and Other	2,637,100	2,430,030	2,402,500	207,070	234,600
ISOC/IETF Sponsorships	870,000	484,500	605,000	385,500	265,000
New IETF Support Initiatives	115,000	(25,000)	(25,000)	140,000	140,000
Expenses (Excluding Capitalized Items)	(5,076,000)	(4,284,817)	(4,545,949)	(791,183)	(530,051)
Contribution to Ongoing Activities	(1,453,900)	(1,395,287)	(1,563,449)	(58,613)	109,549
Capital Expenditures	(260,000)	(95,000)	(100,000)	(165,000)	(160,000)
ISOC's Contribution to IETF	(1,713,900)	(1,490,287)	(1,663,449)	(223,613)	(50,451)
Other Revenue (Expense) and Adjustments	440,000	325,000	374,500	115,000	65,500
ISOC Surplus (Loss) or Change in Net Assets	\$ 372,484	\$ 906,193	\$ 362,192	\$ (533,708)	\$ 10,292

II. Revenues

ISOC receives revenues to carry out its mission from four basic sources:

- Organization Member Contributions (including Platinum Sponsorships);
- Individual Member Dues and Donations;
- Sponsorships for ISOC sponsored events; and
- Contribution of excess net assets from Public Interest Registry.

In addition, ISOC is responsible for securing meeting and hosting sponsorships for IETF meetings, which will be discussed separately under the IETF section of this document. Further, ISOC is responsible for securing additional revenue streams in support of the IETF.

The 2009 revenue budget reflects growth from the forecasted revenues for 2008 in all revenue categories. Each revenue category is discussed below.

	2009		2008		2009 Change Compared to	
	Budget	Forecast	Budget	2008	2008	
				Forecast	Budget	
Revenues (excluding IETF)						
Organization Membership/Platinum Sponsorships	\$ 1,300,000	\$ 1,171,565	\$ 1,150,000	\$ 128,435	\$ 150,000	
Individual Member Dues & Donations	8,000	7,000	9,500	1,000	(1,500)	
NDSS Registrations and Sponsorships	100,000	97,915	110,000	2,085	(10,000)	
Sponsorships and Grants (including Postel; excluding IETF)	300,000	100,000	150,000	200,000	150,000	
PIR Contribution to ISOC	15,000,000	11,500,000	13,000,000	3,500,000	2,000,000	
Total Revenues (excluding IETF)	16,708,000	12,876,480	14,419,500	3,831,520	2,288,500	
ISOC Sponsorships to IETF	\$ 870,000	\$ 484,500	\$ 605,000	\$ 385,500	\$ 265,000	

II.a. Organization Member Sponsorships and Dues

Contributions from Organizational Members constitute a key source of support, helping ISOC to carry out its mission and objectives and providing a crucial source of funding. Traditionally, the companies participating in the Organizational Member dues programs have largely been those associated with active participants and leaders in ISOC and the IETF. However, good progress was achieved in 2008 in adding membership diversity in industry sectors, geographic location and breadth of interest in ISOC's policy and education work in addition to the dominant standards/IETF support focus. For just over a decade, total Organizational Member revenue has been approximately \$1 million annually (except for the rescue plan put into effect in 2000 for the RFC editor). There are many companies that benefit from ISOC and IETF programs and are not at present contributing to ISOC or the IETF. Reaching and convincing these organizations to join ISOC and/or support the IETF continues to be a key focus in 2009, as outlined in the 2008-2010 Organization Membership Development Plan.

Not all Organizational Members pay dues in cash. A few Organizational Members receive memberships because of their support for the IETF meetings, and others provide in-kind services in lieu of direct cash contributions. In-kind contributions are recognized as both revenue and cost. It is a principal goal of the Membership Department to actively facilitate the involvement of these members leading to a cash renewal of membership in following years.

In addition to these unrestricted contributions, ISOC secures (a) sponsorships for the IETF meetings and (b) more recently for the ISOC Fellowship Program to the IETF. With respect to the IETF meeting sponsorships, ISOC has already secured commitments for meeting and hosting revenue of \$770,000 toward available 2009 IETF sponsorship opportunities. Sponsorships for major IETF meeting needs are fully funded with the exception of an unexpected \$50,000 welcome reception sponsorship; that sponsorship is being actively sought. In October, the IAOC approved the addition of two sponsored "Interim IETF Meetings" which add \$100,000 in sponsorships yet to be secured. The meeting sponsorship revenue is reflected in greater detail in the separate IETF section of this document.

Platinum Sponsorships: The Platinum Sponsorship program is an evolution from the 2000 RFC Editor rescue plan.

In 2009, a new Platinum sponsor is expected, creating real growth in sponsorship revenue (a 2007 donation of equipment was not received until 2008, creating an accounting “spike” in Platinum sponsorships in 2008).

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Cash Sponsorships	\$200,000	\$200,000	\$300,000
Equip Donations	0	200,000	100,000
Total Sponsorships	<u>\$200,000</u>	<u>\$400,000</u>	<u>\$400,000</u>
 Budget	 <u>\$300,000</u>	 <u>\$350,000</u>	 <u>\$400,000</u>

Organization Members:

The Organization Member Program for 2009 is in the second year of a three-year plan , the objectives of which are growing the total number of members, diversifying the membership across segments/communities (specifically targeting the product provider and network access provider communities), and increasing annual revenues generated from organization members. The increased resources we are applying across all of our activities will aid the membership program by raising ISOC's profile and visibility. It will provide more opportunities for member engagement and demonstrate ISOC's value to the sustainability and growth of the Internet.

2008 was a strong year for new membership recruitment and increased investment by current members. We are currently projecting 2008 new earned revenue of \$114,271 from new memberships and existing member upgrades with a cash value of \$176,250.

Org Membership growth for 2008 has been strongest in the Product Provider segment, which continues to be the largest membership sector for ISOC. For 2009, we expect the Product Provider segment to continue to be our greatest growth area. We also plan to expand our global reach for new members.

Sector	# Members Prior to 2008	# New Members 2008	# Lapsed Members 2008	Projected Members EOY 2008	Total % of Members
Education	5	1		6	6.7%
Financial Institution	2	0		2	2.2%
Government Agency	5	0		5	5.6%
Miscellaneous	3	1		4	4.5%
Network Access Provider	14	0		14	15.7%
Product Provider	18	8	-3	23	25.8%
Registrar/Registry	16	2		18	20.2%
Professional Orgs	15	2		17	19.1%
Total Org Membership	78	14	-3	89	100.0%

Membership retention was a very good 96.2%. Lapses in terms of earned income were about the same at 97%.

II.b. Individual Membership Dues and Donations

Individual Members

Individual members continue to be very important partners in contributing to and supporting the mission of ISOC to promote the open development of the Internet to people everywhere. Individual members participate both at a local level, through membership of ISOC Chapters (50% of ISOC's Individual members are affiliated with ISOC Chapters around the globe) and through direct membership of ISOC where no local Chapter exists.

Growth in the number of Individual members continues to increase steadily. In 2009, the emphasis will continue to be on collaborating with ISOC Chapters to promote Individual membership of ISOC and to give support and guidance to the creation of new Chapters by Individual members.

Sustaining Members

Over the past few years, the number of Sustaining Members (those members paying \$75 each) has averaged 70 individuals. Until the recruitment of additional resources, the level of income raised through Sustaining Memberships and donations will remain relatively low. In 2009, the budget includes only a slight increase in dues from individual members and donations.

II.c. Sponsorships and Grant Proceeds

Many of ISOC's program and Initiative activities address issues particularly important to the development of the Internet, and management views the programs as potential vehicles for targeted sponsorships. Expanding sponsorship revenue is also an important part of the effort to increase non-PIR revenue to ensure compliance with minimum Public Support requirement for a 501(c)3 qualified organization. While less developed of an opportunity, traditional grant-seeking is envisioned to significantly enhance such revenue as well (also see **Section III.e.**).

For 2009, ISOC has increased the expectation for general sponsorships from \$150,000 to \$300,000 as follows:

	<u>2008</u>	<u>2009</u>
IETF Fellowships	\$ 60,000	\$ 90,000
Access for Disabled Individuals Program	30,000	30,000
Postel Award Sponsorships	20,000	20,000
Other Sponsorships to be identified	20,000	110,000
Grant Awards (see below)	<u>20,000</u>	<u>50,000</u>
Total Sponsorships and Grants	<u>\$150,000</u>	<u>\$300,000</u>

The 2008 goal for IETF Fellowships has been achieved representing a 33% growth over 2007 performance. Based on concerted efforts to obtain additional Fellowship funds, ISOC expects another 50% growth in 2009. This is one of the programs that we believe should be expanded significantly and we expect sponsorships to grow in parallel.

Success in raising our general sponsorship revenue requires focused efforts from our program managers to identify new program funding opportunities, as well as potential new sponsors. The Membership Department has already begun discussions with a consulting firm that specializes in helping organizations identify and appropriately value sponsorship programs and accompanying benefits.

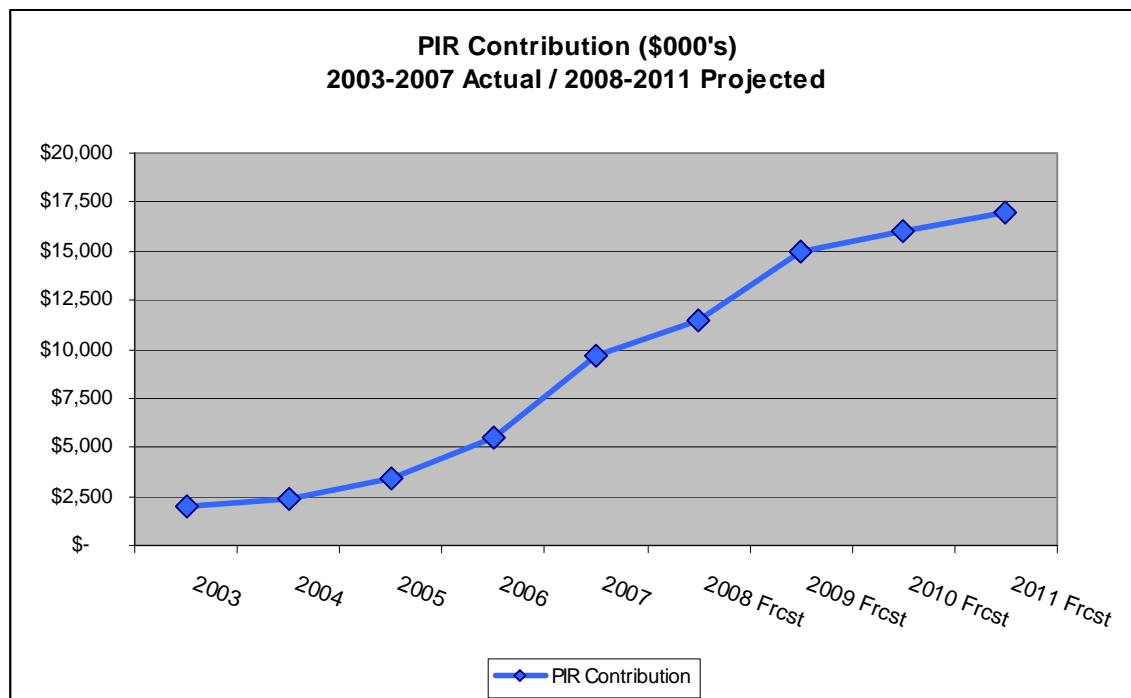
ISOC planned for additional activities and resources in 2008 directed at evaluating other funding and/or grant programs. Such an effort is seen as a likely source for funding disability access work and other aspects of ISOC's work in the Education department. This work has been kicked off and with the significant personnel changes in the Membership Department will be pursued more aggressively later this year and in 2009.

II.d. PIR Contribution to ISOC Activities

PIR's contribution to ISOC's activities will increase substantially over the contribution made in 2008, rising from \$11.5 million to \$15 million in 2009.

For the longer planning period of 2009-2011, PIR projects that its rate of growth in contributions to ISOC will slow as the demand for .org registrations may mature and PIR dedicates more resources to leading efforts in such areas as IDNs and DNSSEC.

While PIR's longer term forecast may be conservative, sustainability and consistency is important to ISOC's delivery of mission. Therefore, these projections are used in ISOC's 2009-2011 forecast (presented later in this document).



II.e. New IETF Support Initiatives

Over the course of 2008, ISOC began identifying and evaluating new sources of support for the IETF. These sources will be important to reduce the level of support required from ISOC over the long term and reduce pressure on IETF meeting fees. Two notable efforts resulted.

Expansion of Sponsorship: In 2008 ISOC began soliciting sponsors for the meeting welcome receptions over and above the usual “hosting” opportunities for NOC/connectivity, meetings space, etc. While this has met with mixed success, new markets have been identified with an interest in reaching the audience that attends the IETF whereas the traditional funding base is in the organizations that send employees to participate in the actual work of the IETF.

The identification of a new market for sponsorship/hosting opportunities led to the refinement, proposal to, and approval by the IAOC in late September of some newly created sponsorable activities associated with meetings and the revival of some that had been used in the past. At this point several prospects are evaluating opportunities for the Spring 2009 meeting in San Francisco. Depending on the success of the program, annual revenues from additional sponsorships could reach between \$100,000 and \$300,000 annually.

IETF-related Publications: As part of its general Standards activities, ISOC began exploring possibilities of additional publications. The purpose of additional publication would be twofold:

- to increase awareness of IETF standards and technology activities, in existing and new market segments, and
- to develop additional revenue derived (in a large part) from IETF core content.

In 2008, ISOC engaged a market research firm to investigate the level of interest in such a publication (or publications) and determine the possibilities for financial return. Preliminary results indicate interest in a publication that provides timely and accessible information about industry activities (in addition to ISOC’s IETF-focused “IETF Journal”), but it is not yet clear that such a publication would be readily monetized. After the study concludes, the results will be reviewed to determine whether this provides a potential revenue source and/or is a constructive undertaking as a general part of ISOC’s Standards & Technology activities.

II.f. Alternative Revenue Opportunities

In 2008, ISOC explored options to increase funding from sources other than memberships and PIR contributions. In addition, a program to identify new sources of revenue in support of the IETF was kicked off. Our findings and recommendations are identified below.

Development Program: Grant funding will be a significant focus in 2009. We intend to obtain initial Grant funding in 2009 and lay the foundation for consistent annual growth in following years. This Development Program is a formalized program to seek grants from foundations (public, private & corporate), government and multilateral institutions in support of ISOC's program work operating similar to that of other NGOs. The multinational, educational and capacity building aspects of ISOC's work have excellent prospects for funding from many internationally known grant-making institutions (Ford Foundation, Oxfam International, USAID etc.).

Affiliation and productive relationships with the kindred programs of these institutions will directly benefit ISOC non-monetarily as well. Grant makers devote significant resources to providing public exposure for the work of grantees as well as access to unique networks and partnership opportunities that would otherwise not be known to us.

We have begun to analyze relevant aspects of our work and assess those with the highest probability for funding. The loss of key staff resources in the first two months of 2008 and the subsequent re-organization process, still in progress, necessitated a tight focus on ensuring the success of ongoing membership and sponsorship programs and moved this Development Program to a third and fourth quarter 2008 activity. This area will be prioritized in 2009.

Planned Giving: This is a specialized marketing program encouraging potential donors to name ISOC as a beneficiary of their estates. The Senior Manager for Organization Membership discussed ISOC's current status with three different planned giving consultants all of whom indicated that ISOC should *not* invest resources into developing a planned giving program at this point.

A precursor to an organized planned giving program is a strong and well established "annual giving program" which consists of a group of individuals who (simply) make annual or regular contributions to an organization and are actively cultivated to build a persona identity with an organization and its causes. Membership has identified the small group of *Sustaining* and higher level individual members as a possible base for a future annual giving program, but that group does not constitute an

annual giving program in the traditional sense and is not of a size in number or investment to warrant a planned giving program.

This does not preclude ISOC from receiving planned gifts, though. A “planned giving program” is not necessary in order to accept or process planned gifts. As a matter of due diligence and obligation, the executor of the estate of a decedent who made arrangements for a gift would contact ISOC and arrange for the transfer of the gift. This is the approach we will pursue in 2009 while we continue to evaluate future opportunities.

Forming an Endowment: Establishing an endowment would constitute a very long term endeavor to raise sufficient funds whose annual return could cover a significant portion of the ISOC budget. There are several challenging barriers to building endowments in general and also with the specific idea of one for ISOC.

The first challenge is finding funding. Most foundation guidelines prohibit support for endowments. It is also common for individuals (most give through private foundations for tax purposes) not to fund endowments. Company funds also usually come with high bars. Like planned giving programs, successful endowments are anchored by established “annual giving” programs. The aforementioned challenges to funding emphasize this as a necessary precursor to an endowment.

The second challenge is the amount of money needed to generate the interest required to fund annual operations. This is often connected to the first case. No one wants to contribute to an endowment unless they know that others are lined-up to complete the campaign. A significant endowment would be required to fund even a portion of ISOC’s programs.

The combination of these factors cast question on the prospects for success, and the resources required to develop an endowment (mission, goals, objectives, etc) and then to market it are significant. We do not recommend this option in the near-to-mid term, but will continue to revisit this option periodically.

Capital Campaigns: One additional area for exploration is Capital Campaigns, the equivalent of fundraising for a new library. ISOC has a number of programs under discussion that could be well matched to this type of fundraising activity.

In conclusion, several options explored in the development/grant-seeking operation are good prospects for significant funding in the very short term and present a potential to grow with ISOC’s programs.

The lack of an “annual giving” program as a necessary precursor for planned giving and endowment programs (and other fundraising frameworks not discussed) was a repeated theme.

However, development of an annual giving program is not recommended at this time. Eventually it makes sense to explore this option, but only after efforts are completed to better define and develop the individual member program and the engagement model to fully define benefits and expectations, and enfranchise that constituency. There needs to be clear and separate benefits, value propositions and “personas” for individual members and individual donors.

III. 2009 – 2011 Goals: 2009 Objectives

Beginning in 2008, ISOC has expressed much of its strategic direction in terms of the long term goals of our major Initiatives. This set of strategic directions, expressed as ISOC’s major goals in furtherance of our overall mission, then serves as the basis for detailed plans for the coming year.

The following sections follow that course. Initiatives are intended to be continuing and outwardly visible strategic activities for ISOC. Initiatives also call upon each of our operational departments to obtain our longer term goals. Therefore, we will first discuss the intermediate range (2009-2011) goals for each Initiative (**Section III.a.**). In the second sub-section (**Section III.b.**), we will continue the Initiative-based plan with specific 2009 activities and objectives, including expected intersecting contributions from the functional areas. Finally, in the third sub-section (**Section III.c.**), we discuss the planned activities of supporting groups that are critical to ISOC’s broad success to the extent those activities have not been covered in the preceding two sub-sections.

III.a. Initiatives – Strategic Direction – 2009-2011 Goals

An Initiative is the highest level of directed strategic activity undertaken by ISOC. An Initiative will span several years (“persistent”) and should be critically important to the development of the Internet and fully in support of our mission and purpose. An Initiative must answer the broad questions: “Is this activity critically important to the Internet or to ISOC’s mission?” “What can we strategically and positively impact? What does ISOC plan to affect by engaging in activities in this area? How will we make a difference?” Initiatives will be used to focus the team’s long-term attention on ISOC’s highest level strategic goals. A set of goals, persistent and multi-year in nature, will describe an Initiative.

Initiatives will be the level at which ISOC largely communicates and projects its strategic priorities externally. They will serve as the basis for many of our member, partner and marketing communications.

Initiative: Enabling Access Since its inception, a key purpose of the Internet Society has been to facilitate, support, and promote the evolution and growth of the Internet around the world. Enabling access to the Internet has been at the heart of ISOC’s motto “The Internet is for Everyone.”

The challenges to improving Internet growth and take-up are multifaceted and interrelated, particularly in developing countries. They include, for example, access to technical skills and knowledge, the regulatory and policy environment for information

and telecommunications services, and broader economic and market factors such as the overall business and investment climate, consumer purchasing power, language diversity, the diffusion and reliability of basic infrastructures and services, among others.

This Initiative focuses on enabling access to the Internet by addressing the fundamental impediments to Internet growth and usability, with a focus on developing countries and regions. It consists of three programs:

- Policy, Regulation and the Access Environment, aiming to reduce regulatory barriers and promote sound government policies on Internet access & related issues;
- Technical Capacity Building, which aims to advance networking skills, key infrastructure, and local leadership so local engineers can build, grow, protect, and maintain Internet and access infrastructure; and
- Underserved Communities, which recognizes that reaching the “next billion” Internet users will be more challenging than reaching the first 1.5 billion, and aims to identify and address the unique complexities.

Our intermediate-term (2009 – 2011) goal is to position ISOC as a trusted resource and catalyst for Internet development and deployment, a purposeful incubator of the current and next generation of Internet technical and policy leaders, particularly in the developing world, and a recognized partner and leader in implementing projects and solutions, both technical and policy related, that directly impact the growth development of the Internet in emerging economies. A key part of the strategy involves ensuring ISOC Chapters are empowered as visible, valuable contributors and local change agents in access and Internet development issues.

In addition to building and orienting our internal capabilities towards these broad goals, ISOC will undertake action in concrete project areas in 2009 to affect access and Internet growth challenges, described in the 2009 Initiative Objectives and Activities section below (**Section III.b.**).

Initiative: InterNetWorks This Initiative focuses on the continued operation of the global Internet, taking the holistic approach to identify issues and opportunities in Internet global deployment, and the collaborative model of Internet development.

ISOC's purpose in this initiative is to be an effective and visible part of identifying and helping elaborate such cross-boundary and inter-institutional network issues; promoting their resolution through open dialog and collaboration of involved entities, in appropriate fora; and promoting and validating the open collaborative Internet development model.

Over the course of the 2009-2011 budget plan, the goals of this initiative are to ensure that packets will continue to flow from “end to end”, there will be more and different voices championing the open and collaborative development and management model, and ISOC will be recognized as a key steward of the Internet collaborative model and its primary standards processes and bodies.

Initiative: Trust & Identity In order to be trusted, the Internet must provide channels for secure, reliable, private, communication between entities, which can be clearly authenticated in a mutually understood manner. The mechanisms that provide this level of assurance must support both the end-to-end nature of Internet architecture and reasonable means for entities to manage and protect their own identity details. Trust must become a primary design element at every layer of the architecture and, in some cases, existing elements may need to be re-designed or enhanced to meet emerging requirements.

Over the coming three year budget horizon (2009 – 2011) ISOC will identify both external and internal partners to magnify our efforts to educate users about identity management, spawn development of trust and identity technologies globally, and encourage open, transparent, interoperable standards. In conjunction with our partners, we will determine those areas where we can make substantial impact, and we will develop shared projects to advance appropriate technologies and operational solutions for Trust & Identity.

The major long-term goals of the Trust & Identity Initiative are to ensure that:

- End users understand the options for identity management and demand appropriate tools and services to support the full range of use cases;
- Developers think in terms of trust, interaction, and sustaining global reach (end-to-end) when designing the next generation of reliance technologies and standards;
- Public policy discussions recognize Internet Model stakeholders as experts on Trust and Identity, with ISOC leading the discussion on reliance issues including: regulation, compliance, data portability, ownership, and privacy. There is a clear distinction between a trusted network and network security.
- User education regarding identity management is considered essential to achieving trust in the Internet
- ISOC continues to support the open, transparent, bottom up nature of Internet development and is an active partner in the standards process as the Internet Model expands.

III.b. Initiatives – 2009 Objectives and Activities

Building upon the strategic goals of the Initiatives outlined in the prior section, ISOC has developed near-term operational plans to contribute to the longer-term purposes of the Initiatives. These represent our goals and objectives for Initiative-based activities for 2009. These goals and objectives are first presented in terms of the impact to be produced by ISOC. Then, we present the interdependencies and contributions expected from each of the ISOC functional areas.

Enabling Access Initiative: 2009 Objectives

Regional & Local Access ISOC's objectives under the Regional and Local Access Program are to encourage Policymakers and regulators at the regional level to:

- adopt and implement policies and positions that promote the expansion and reach of Internet on a regional and national basis,
- review and remove regional and national regulatory impediments to Internet access and growth.

In particular the program objectives are to:

- convince regional law makers of the overall economic and social benefits of adopting an holistic and multi-stakeholders approach to the Internet access related issues
- provide policymakers and regulators with sound advice and tailored information on regional and national Internet access issues to help them create the appropriate environment for internet growth

ISOC will keep developing its leadership in access related issues at regional level and in particular will strengthen long term relationships and strategic partnerships with key institutions at the regional level (eg.CITEL, CTU, UNECA, African Union, etc.) as the best vehicle to safeguard the Internet principles in decision making processes.

Contributors/Activities: Public Policy – Under the Public Policy department's lead, our 2009 activities in the regional and local access program will be on leveraging the expertise and intersect points with the Education, Standards and Technology and GSE functions to build relationships through increased outreach to policy makers, deepen engagement with the Chapters as advocacy partners, implement more policy targeted INETs and increasingly leverage ISOC's further empowered Bureaus.

In particular, our activities will contribute to provide policymakers and regulators with:

- the results of ISOC benchmarks on Access (and the implications for policy and decision-makers at international

and regional levels) with a focus on regional-specific issues (for Africa, S & SE Asia, LAC);

- robust advocacy on the issues surrounding wireless access (with a policy focus on the importance of ensuring that the mobile Internet experience is also user centric in its nature and a geographic focus on the African region);
- support on policy issues surrounding the development and deployment of Internet Exchange points (IXPs) (with a priority geographic focus on Africa and LAC);
- new opportunities to address internet related issues at high political level with the internet community. For example, the Public Policy Team will be launching the pilot of a new program – the “Regional Internet Leaders Forum” – designed to bring together high level regional and national policy makers, industry and technical leadership to discuss pressing issues related to the Internet that encourages decision-makers to integrate the internet model in their decision making process and see ISOC as a key partner in the regions.

Education – Work with the Policy Department to leverage areas where policy and regulations are impeding Internet technical growth, development and capacity building. Policy issues surrounding the development and deployment of Internet Exchange Points (IXPs) will be a key area in 2009, as well as basic access implementation issues.

Strategic Global Engagement – Work with the Policy Department to ensure alignment and focus on key issues in global and regional forums. Based on SGE’s analysis of alignment between international forums’ priorities and those of ISOC, Policy and SGE will collaborate on the engagement strategy. In principle, SGE work in regional forums will be handed off to Policy/Bureaus for ongoing involvement, while continuing to collaborate.

Communications – The expanded Communications function will act as a key partner in delivering appropriate communications to support our engagement activities at the regional level.

Access for Underserved Communities

Underserved communities, including the disabled, people who use non-Latin language scripts, and geographically remote and dispersed communities, face numerous challenges in accessing the Internet. Various technologies and approaches that could facilitate access to the Internet by underserved communities are in development or are under-deployed. Industry and policymakers can play enabling roles in facilitating access to these communities with an understanding of the needs, technologies, and opportunities. As a program area, ISOC will work towards enabling access to the Internet by underserved communities with goals to:

- Advance the development of technologies and the business case for facilitating the use of the Internet by the disabled,
- Advance the development and distribution of technologies that support the use of non-Latin language scripts on the Internet (in a manner that upholds the overall end-to-end connectivity of the network), and
- Educate policymakers and industry on the challenges, needs, technologies, and opportunities of increasing Internet access to underserved communities.

For 2009, ISOC will focus on the challenges presented to the disabled, particularly the hearing impaired, in furtherance of the 2008 project on access to the Internet by persons with disabilities that resulted in the launch of the Real Time Text Task Force (R3TF). A key goal of the Underserved Communities program will be to launch demonstration projects and implementations of the Real Time Text Protocol.

ISOC objectives in the multilingual space are to promote more coordinated approaches at local and international levels. The overall policy objective will focus on:

- an active promotion of the use of local languages
- the development of local content, and
- an active engagement in international activities with organizations such as UNESCO in order to assist the local efforts.

Contributors/Activities: Education – The Education Department will be the primary driver of work related to access to the Internet by persons with disabilities. A key focus in 2009 will be to implement demonstration projects of the Real Time Text protocol to draw attention to its practical application and value. Further, we are also exploring the feasibility of developing a “Web Accessibility” resource site, which will provide tools, scripts, code, templates and other information for developing web pages for persons with various disabilities.

Several of our Chapters are involved in disabilities issues. We will build on the work started with those Chapters in 2008 to develop broader-based efforts in this space, drawing on their unique expertise. In particular we will work with our Chapter and Member experts to develop ISOC positioning statements on general “e-accessibility” and “e-inclusion” issues in order to advance awareness and constructive consideration of this issue in key forums. We will also increase our participation in the Dynamic Coalition on Accessibility and Disability issues and work with our Chapter and Member experts more closely on ITU efforts aimed at implementing the “Total Conversation” concept, of which Real Time Text is a part.

Public Policy - The public policy team will lead in the Multi-lingual activities and will be the development and outreach vehicle for all activities relating to Policy makers.

Technical Capacity Building

In order for the Internet to grow and be sustainable, network operators need to possess the technical capacity necessary to build, maintain, and protect networks, as well as make informed choices about new infrastructure implementations and methodologies. With Internet technology changing rapidly, capacity building needs to be an ongoing process and local information sharing mechanisms must be in place to sustain knowledge transfer beyond classroom trainings.

Building on the foundations developed in 2008, key 2009 objectives for Technical Capacity Building include:

- *Infrastructure Development and Deployment:* ISOC will advance strong capacity building projects related to the development of key access infrastructures, including fostering the development and effectiveness of IXPs in the developing world, assisting Educational Research and Development Networks (RENs) in developing countries to build capacity, and fostering best practices in and the skills development of ccTLD infrastructure operators, which are critical infrastructures and collaborative community catalysts, especially in developing countries;
- *Leadership Development:* In addition to growing and expanding the ISOC Fellowship to the IETF, we will launch a program aimed at incubating local technical leadership forums, such as national NOGS, in developing countries. This work will not only enhance the dissemination of best practices and technical knowledge, but also help ISOC cement the “collaborative Internet model” in developing regions;
- *Extending Technical Knowledge and Skills:* For 2009, ISOC has planned a range of technical capacity and skills development projects, including extending Internet training in Africa through the localisation of the AfNOG training curriculum, advancing work with WirelessU on wireless networking education, and strengthening our engagement in regional NOG activities and trainings, among others;
- *Development Activities:* In 2008, ISOC grew its partnerships and connections with development agencies (both broad-based governmental agencies and Internet-focused groups). In 2009, ISOC will expand on these working relationships, including through the development grant programs we currently partner on with Canada’s International Development Research Centre

(the ISIF and FRIDA programmes), as well as our engagement with the Global Knowledge Partnership, and USTTI.

- *Empowering Chapters in Capacity Building:* A key focus of our Capacity Building program in 2009 will be integrating Chapter participation, particularly in the developing world, in ISOC education and training activities and helping Chapters add value to their local communities in the area of Internet growth and access. We will do this by developing material and information that helps Chapters run, manage and fund capacity building workshops, and working with Chapters as “local hosts” of workshops and channels for technical, social, and political development. Materials developed through our InterNetWorks, and Trust and Identity Initiatives will also focus on working with Chapters and Members as key participants and enablers of our activities in these areas.

Contributors/Activities: Education – The Education Department is the primary champion of ISOC’s Capacity Building efforts, as described above, and will work in concert with various ISOC Departments to achieve success. In addition to advancing specific projects that have been developed to meet the 2009 objectives, the Education Department will work with our external partners and volunteer experts to leverage the know-how and resources available in the broader Internet community to advance the growth and usability of the Internet in less developed regions.

Chapters – ISOC Chapters are identified as key partners in ISOC’s Capacity Building programs for 2009 and beyond. The programmes identified above will provide opportunities to strengthen and develop Chapters by furnishing them with new skills and resources, enabling them to maximize ISOC’s local impact. Chapters are able to bring together stakeholders from the local Internet community to a common and neutral platform from where collaboration and partnerships can be built and enhanced in support of the development of the Internet for all.

Org Members – Organizational membership will continue to work with program managers and Organization Members to expand support for key programs. The private sector plays a key role in the development of the Internet and their insight and support into needed areas of development will lend a critical dimension to our programmes.

InterNetWorks Initiative: 2009 Objectives

The overarching objectives for the InterNetWorks initiative lie in 3 areas:

- Infrastructure Evolution: drive concrete progress on important Internet infrastructure issues such as DNSSEC deployment, IPv6 uptake, and bandwidth management.

- Internet Model Emergence: Articulate the Internet model and use specific targets for impact for change in approach to policy and technology development
- Stewardship of the Internet: Develop presence on the global stage so that we begin to set the agendas for discussion of Internet policy and evolution, instead of trailing others' and adding commentary.

These are carried out through specific programs outlined below, which have additional objectives for the year.

Common & Open Internet The Common and Open Internet Program works to ensure the continued integrity and availability of the global Internet. To achieve this, it identifies and addresses activities that challenge that integrity: policy or technology directions that are driving towards balkanization or undue restriction of the Internet. It aims to drive the development and acceptance of a modern understanding and consistent implementation of “the end to end principle” of the Internet.

Efforts within this program are focused on identifying 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.

This is an on-going program specifically focused on promoting recognition of the continued validity of an end-to-end principle in the Internet and implementation of end-to-end supporting services.

During 2009, activities in this program will target education, standards bodies, regional fora to express and establish legitimacy of the Internet end-to-end model and its collaborative model of development and management.

Contributors/Activities: Standards and Technology – Working in close collaboration with Public Policy and Global Strategic Engagement, the Standards and Technology department will establish themed and publicized activities (roundtable *series*, formal coalitions and consortia) to support the viability of the Internet model and progress key developments from the other programs. The roundtable series will kick off in Q2 of 2009, with a view to bringing recognition of the Internet model's flexibility in handling important infrastructure developments (DNSSEC, IPv6, etc) and addressing key requirements in deployment.

Public Policy – Public policy will work with Standards and Technology to build greater visibility for ISOC as a leader in this

space through expanded papers addressing User Centricity/Net work neutrality, through leveraging ISOC principles and public policy abilities as they apply to the common and open Internet, through increased content and advocacy delivery and increased regional reach and partnerships through the Regional Bureaus.

A key component of the Public Policy's team approach will be disseminating and acting upon the results of the mapping the policy players and issues at the regional and international level through the Roadmap activity started in 2008.

The Public Policy Team, working with Global Strategic Engagement, will continue to leverage the considerable progress made vis-a-vis its reputation and visibility with key actors in the political arenas (e.g., within IGF and OECD), deepen relationships at the regional level through the Bureaus, and, as one of its key 2009 goals, work more closely with the technical community on public policy issues.

Finally, the Public Policy Team, with Standards and Technology, will look at issues arising from the spread of mobile networks in developing countries (and elsewhere) and the opportunities/challenges they pose for the common and open Internet as they are used as an increasing medium for Internet access.

Strategic Global Engagement – SGE will work with the Public Policy and Standards and Technology teams to bring high level political context to the InterNetWorks work plan. Also, to ensure that ISOC's engagement with other I* organizations and with multilateral and regional bodies is well founded in ISOC's policy and technical expertise, SGE will collaborate with and draw upon the INW team. It is important to assure coherence and that we inject technical, political, and ideological, yet practical and realistic, perspective through our interventions.

Chapters – ISOC Chapters are key partners in ensuring a common and open Internet. Chapters are able to bring together stakeholders from the local Internet community to a common and neutral platform to build collaboration and partnerships to support the principals of a common and open Internet.

Org Members – Organizational Membership team will work with ISOC's Organization Members to expand support for a common and open Internet. The private sector plays a key role in the development of the Internet and their insight and support will lend a critical dimension to ISOC's efforts.

Global Addressing

The "Global Addressing" program identifies and works to resolve challenges to global Internet addressing. This is a particular case

of a challenge to the Common Internet that requires focused effort: ISOC's neutral position and relationships across organizations makes it a natural place to help facilitate communications, contribute to and coordinate the efforts of the standards, operational and RIR communities and facilitate the expression of requirements.

In 2009, ISOC will ensure that the management of the IPv4 free pool allocations is well understood, while also actively working to spur IPv6 deployment.

Contributors/Activities: Standards and Technology – the Standards and Technology department will continue to monitor and engage in RIR discussion fora, working to extract and promote the viability of chosen policies for IPv4 management. At the same time, Standards and Technology will work to identify and develop market drivers for IPv6 uptake, and monitor issues with IPv4/IPv6 coexistence.

Education – The Education Department will work with Standards and Technology on capacity building activities related to IPv6, including workshops aimed at building IPv6 skills of network operators in the developing world.

Strategic Global Engagement – In all InterNetWorks programs, SGE will work with the Public Policy and Standards and Technology teams to bring high level political context to the InterNetWorks work plan.

Public Policy – The Public Policy Team will continue to work closely with Standards and Technology and Education on this critical issue, particularly as it applies to public policy and government positions and take-up of IPv6. 2009 will see a further building of information and expertise on government programs in this area, as well as outreach to governments and other relevant public policy players.

Chapters – As with the other programs within the InterNetWorks Initiative, ISOC Chapters are key partners in addressing the challenges to global Internet addressing.

Org Members – Organizational Membership team will enlist ISOC's Organization Members to play a key role in global addressing issues, as Members will be called upon for their insight and support.

Security & Stability

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

This is an ongoing program, and its success will be measured by ISOC's ability to engage in and promote movement on key technology issues challenging the stability and security of the Internet's infrastructure.

A key objective for 2009 is to develop and publicize a roadmap for Internet infrastructure security – DNSSEC and beyond.

Standards and technology will work to promote the deployment of DNSSEC within key TLD registries and registrars by mid-2009. Additionally, the department will work to identify DNSSEC's opportunities in terms of improving infrastructure security to support the use of DNSSEC (by domain holders) as it becomes available. Standards and Technology will also work to capture and articulate the emerging roadmap of infrastructure security pieces by the end of 2009 in order to promote and encourage evolution towards a rational level of Internet infrastructure security.

Contributors/Activities: Education – ISOC's Education Department will use its strong ties with ccTLD operators and regional ccTLD associations. We will work with the Standards and Technology Department on using and growing our channels with ccTLD operators as a means to support and promote the deployment of DNSSEC and other security related technologies.

Strategic Global Engagement – In all InterNetWorks programs, SGE will work with the Public Policy and Standards and Technology teams to bring high level political context to the InterNetWorks work plan. For the Security and Stability program, Strategic Global Engagement will provide particular focus in terms of the developing "cybersecurity" policy explorations.

Chapters – As with the other programs within the InterNetWorks Initiative, ISOC Chapters are key partners in the development and deployment of key technologies for ensuring a stable and secure Internet.

Org Members – Organizational Membership team will enlist ISOC's Organization Members to play a key role in security and stability issues, as Members will be called upon for their insight and support.

AlterNetives

The "AlterNetives" program is a new program in 2009. Work in this program identifies impacts of alternative networks (e.g., mobile data networks, sensor networks) on the Internet, expressed in terms of requirements for Internet development.

This will be a start-up effort for 2009, focusing primarily on establishing the areas of key interest and impact for future years.

Contributors/Activities: Standards and Technology – The Standards & Technology department will work to identify and articulate key alternative networks impacting the global Internet’s development and operation.

Public Policy – the Public Policy Team will, with Standards and Technology, be looking at issues arising from the spread of mobile networks in developing countries (and elsewhere) and the opportunities/challenges they pose for the common and open Internet as they are used as an increasing medium for Internet access.

Trust & Identity Initiative: 2009 Objectives

Identity: Managing

Trust Relationships

Within the Trust and Identity Initiative, major activities in 2009 will focus on the Identity programmatic area: to develop and lead partnering opportunities to expand ISOC’s “reach”, raise awareness, and shift the discussion of needed e enhancements for productive network relationships from a security based model to a trust based model.

Work on the Emerging Research program elements envisioned in the Trust & Identity Initiative will also be initiated in concert with the InterNetWorks effort. The addition of staff resources in early 2009 will enable ISOC to move forward in identifying and engaging network researchers and developers who focus on trust while maintaining an active presence in the Identity space.

On-going activities in the Identity area and major deliverables in the Network Architecture area are planned for 2010. These projects and related work in the Standards and Technology department will inform work on the final segment of this initiative, which is Operationalizing Trust: Strengthening the Current Internet Model.

Key 2009 objectives for the success of the program to Manage Trust Relationships include:

- Publication of Identity baseline studies, such as:
 - a public report based on broad consultation with representations from the Identity technology communities, ISOC members, the IETF, and the IAB (Q2 2009);
 - a technical report (Internet Draft) submitted to the IETF describing the current state of identity technologies and any existing dependencies on Internet protocols (Q2 2009);
 - a personal Identity Audit tool, to include the development of outreach materials for ISOC Chapters for direct engagement with Chapters on issues related to Identity management, a package of support materials to accompany the Audit tool, guidelines for a Chapter

- hosted Identity event, and a mechanism for on-going Chapter input on regional issues related to user managed identity (Q3-Q4 2009).
- Active engagement with existing Identity communities
 - Sponsorship for an Identity Commons event which will bring together technologists, members of the legal community, regulators, and EU privacy experts (IIW-Legal) (Q2 2009).
 - Sponsorship for an interoperability "code sprint" hosted by the Internet 2 Shibboleth participants, with focus on InfoCard technologies and existing SAML federation deployments (Q3 2009).
- Support for testbed deployment of DKIM within the IN-Common/Shibboleth federations (based on results, this project may extend to include development of hands-on training materials and a BCP document) (Q1 2009).
- Update privacy related content on the ISOC web-site and integrate messaging with ISOC Public Policy positions. This effort may require review and re-disposition of existing content and may depend on broader communications priorities (Q1 2009).
- Work with Public Policy to begin to frame discussions on cybersecurity to focus on trust as well as security. Seek to define Trust as a key component in solving threats to Internet stability and safety. (Q1 2009)
- Initiate joint work with the Standards and Technology department on network architecture and emerging research. This work will support the base line study on Trust and Architecture. (Q2 2009)

Contributors/Activities: MSI – Lead the formation of external partnerships, as well as the publication and engagement activities detailed above, calling upon internal ISOC contributors to this Initiative.

Standards and Technology – Initiate collaborative work on network architecture issues and emerging research, to support the baseline study on Trust and Architecture.

Public Policy – Assist in framing discussion on cyber-security to focus on Trust as well as Security. Seek to define Trust as a key component in solving threats to Internet stability and safety.

Strategic Global Engagement – Collaborate to develop a long-range communications strategy to introduce the concept of Trust and to identify audiences and events where ISOC can leverage this topic. Facilitate bringing ISOC Trust and Identity work to relevant international and regional forums (initially OECD ICCP and APEC TEL).

Membership – Chapters, Individual Members, and Organizational Members will be solicited to nominate subject experts to participate in the consultations for the base line study on Identity and related publications and tools. Members will also be invited to support the global distribution of the Identity Audit, as well as an ongoing regional data collection effort focused on use cases, regulation, and privacy.

III.c. Supporting Functional Roles

ISOC's business planning focuses on delivering strategic and operational results represented by the Initiative goals and objectives. The Initiatives provide a broader, more strategic, and more visible description of ISOC's mission. However, a number of functional areas are structured to contribute (either directly or indirectly) to these Initiative-based strategic goals, as well as contribute to ISOC's overall mission.

A short description of the role of these functional areas in contributing to ISOC's overall mission and to the long-term goals of the Initiatives follows.

Strategic Global

Engagement:

The Strategic Global Engagement (SGE) function was added in December 2007. The goal is to develop and implement strategies and activities to aid ISOC in reaching policy makers at the most influential level worldwide. This office also provides advice on ISOC's issue-related positioning, influence and execution strategies; leads on partnership development at the international level and collaborates with Public Policy at the regional level; serves in a high-level representational capacity for ISOC (as an alternate to the President and CEO) engaging with Policy makers at the highest level. SGE is also charged with facilitating regional involvement and interaction with ISOC on key Internet issues, through developing and supporting a network of ISOC Regional Policy and Education Advisory Groups (RPAG's).

In the intermediate term (2009-2011), SGE will focus on achieving four key goals for the organization. The Strategic Global Engagement function will particularly target its activities in the first three goals toward the major international organizations of OECD, ITU, and UNESCO:

- to ensure that ISOC is recognized as a trusted source of information and the leader on a broad spectrum of Internet issues with these international organizations,
- to have ISOC recognized by other Internet technical community organizations as a focal point and facilitator for their coordinated engagement with these major international organizations,
- to increase ISOC's engagement with relevant civil society organizations to act as a trusted, knowledgeable partner, for example in the OECD, ITU and UNESCO, and

- to create an ISOC engagement model so we are recognized as a trusted source of information and leader on Internet issues with key countries and regional organizations: United States (on ICANN transition) and China; CITEL in the Americas; APEC and APT in Asia (N.B. in collaboration with the Public Policy Department).

In 2009, SGE's objective is **to engage actively with major intergovernmental organizations** in a way that enables ISOC to be proactive rather than reactive. Key areas of work include:

- Building on the success of the 2008 OECD Ministerial meeting on the future of the Internet economy to develop implementation strategies. SGE will develop an agreed mechanism to create an Internet Technical Advisory Committee (ITAC) on a model acceptable to partners, to contribute substantive inputs to OECD committees, in collaboration with existing business and civil society communities. Key issues for engagement include its project on the future of the Internet; Domain Name System (DNS) issues; IP network connection and interoperability and packet prioritization; new privacy and security concerns related to the Internet, and the growth of bandwidth and traffic exchange.
- SGE will extend ISOC's involvement in the ITU, specifically by working to strengthen Chapters and Members ability to engage in national and regional preparations for the March 2009 World Telecommunication Policy Forum. By asking Chapters and members to gather intelligence on what topics are important in various regions, and then by providing policy briefs and encouraging members and Chapters to offer informed, strategic advice to their local and regional officials, ISOC will be able to gain recognition as a trusted source of information and thought leader on Internet issues in the ITU environment. Taking advantage of the fact that the WTPF led by Sector Members, ISOC has joined the informal expert group preparing the agenda for the WTPF to help shape the agenda. By helping membership to engage with national delegations, and to have a positive presence at the Lisbon Forum itself, this activity will serve as a proof of concept for future engagement with the ITU by working at the local/regional level. Key issues for engagement at WTPF include: Internet related public policy issues, convergence, management of Internet resources, trust and security, privacy protection, cybersecurity, the international standards-development process, IPv6, IXPs, multilingual Internet, capacity building, and more.
- SGE will work with Standards and Technology in following up on the outcomes of the 2008 World Telecommunication Standardization Assembly, specifically by supplying briefing materials and advice to members and states to provide accurate information into discussion of Internet issues in the Council Working Group. SGE will engage other I* organizations on

the creation of a joint strategy to increase our influence over discussions of Internet issues in the ITU. At this writing, key issues are known to include: IPv4-IPv6 evolution, DNS issues, and ITU's role concerning Internet governance including IDN. It is certain additional issues will arise in the newly expanded Council Working Group on WSIS, but which ones are not yet known. Outreach to developing country governments will need to be a greater priority, as Internet issues are increasingly discussed in the ITU.

- Similarly, in 2009, SGE will begin preparations to create an ISOC presence at the 2010 ITU World Telecommunication Development Conference. It is early to know what will be the specific issues, but they will include Internet governance, the role of the I* organizations, NGNs, and capacity building. There is no doubt that outreach to developing and other countries' governments will need to be a focus in the preparatory stage, building on experience gained in organizing for the WTPF.
- Working with the Public Policy team and regional bureaus and building upon contacts developed in global forums, SGE will provide support in strengthening ISOC presence in regional organizations in the Americas, in the Asia-Pacific region and in Africa, participating as required to advance ISOC's views and the open and collaborative Internet model. Key areas for collaboration in the Asia-Pacific, for example, include collaborating with governments to organize a workshop on IPv6 adoption, ongoing work programs on security and network stability, regulatory and policy liberalization, and capacity building,
- SGE will continue to lead ISOC participation in the Internet Governance Forum and to influence decisions to be taken about the future of the IGF. Following the 2008 IGF, an internal review will be undertaken to determine the appropriate types of engagement for the 2009-2010 events.

In 2009, SGE will lead in developing engagement strategies for China, India, and key northeast Asian countries, undertaking consultations with knowledgeable experts internationally and locally to determine needs, and assess ISOC fit and capabilities.

A major priority for SGE in 2009 will be to define and catalyze opportunities for engagement with the Internet technical community. The obvious priority will be to play a leading role influencing key Internet community partners and the United States government on the future of ICANN in what will likely be the transition year to full private-sector leadership upon expiry of the Joint Project Agreement, ensuring a focus on ensuring the stability and security of the DNS. At the same time SGE will work closely with leadership in the IETF, IAB, etc., to strengthen IETF

recognition and responsibility for discrete portions of IANA function.

Also in 2009 SGE will undertake an analysis to determine opportunities for engagement with civil society. Key opportunities will be pursued for collaboration with civil society in OECD work, in UNESCO as we continue to coordinate civil society and act as voice for the Internet community, and increasingly in the IGF, working with partners to promote Internet model.

Finally, in 2009 SGE will develop and begin to work with regional policy leaders from governments, business and civil society by developing a practical model for Regional Policy and Educational Advisory Groups. These efforts will begin in one region and gradually expand as the model is refined and proven.

Public Policy:

Public Policy key goals for 2011 are to:

- Ensure that ISOC is **the** recognized and trusted partner for policymakers at the regional level
- Significantly leverage and capture regional knowledge as it relates to local policy priorities via our Bureaus and Chapters for the two-fold objective of 1) presenting ISOC's Initiatives; 2) contributing toward the resolution of the regional issues

Key accomplishments for Public Policy in 2009 will be:

- Promote targeted public policy advocacy and positioning, in collaboration with the Communications department, on critical internet issues at regional level and, as the case may be, at international level in cooperation with the Strategic Global Engagement group. In particular our advocacy programs will cover the following issues:
 - Network neutrality (build increased awareness around user centricity and the technical underpinnings of the network neutrality debate at international and regional levels)
 - Access issues, in particular:
 - the results of ISOC benchmarks on access (and the implications for policy and decision-makers at international and regional levels) with a focus on regional-specific issues (for Africa, S & SE Asia, LAC);
 - wireless access (with a policy focus on the importance of ensuring that the mobile Internet experience is also user centric in its nature and a geographic focus on the African region);
 - the policy issues surrounding the development and deployment of Internet Exchange points (IXPs) (with a priority geographical focus on Africa and LAC)

- Cybersecurity (with a policy focus on Trust and Identity and a regional focus on South and Southeast Asia)
- Execute one regional INET per region, in partnership with key regional decision makers
- Execute a high level pilot event with policymakers and key influencers at the regional level, starting with Africa (“Regional Internet Leaders Forum”)
- Support at a policy level the work of other departments within the strategic initiatives, and in particular the messaging and advocacy for V4-V6 deployment.
- Materially and progressively engage the membership and particularly the Chapters in policy work on the abovementioned issues

The keys to address these goals in 2009 will lie in ISOC’s abilities to:

- be a bridge between Policy and Technology
- be a bridge between the public and the private sectors
- have a broad and diverse membership able to act as key partner in our activities and a contributor to ISOC outreach strategy
- have a broad regional network through empowering our Regional Bureaus to act as regional catalysts.

Standards & Technology: In addition to the work of the Standards and Technology Department in the Initiatives outlined in **Section III.b.**, the Chief Internet Technology Officer plans to continue three “Core” projects that support ISOC’s general work within the Initiatives, as well as develop ISOC’s stance in the Standards and Technology space:

- Support the development and use of open standards – key to ensuring a common and open Internet. This work includes supporting and enhancing existing standards efforts, promoting coordination between those efforts, identifying gaps and ways to fill them and maximizing the usability of open standards. The Standards & Technology group will work with the Communications department to establish further standards communications series to follow up market research done in 2008.
- Continue work to develop a topical public technology information resource base - As a resource for ISOC activities and a vehicle to communicate timely, relevant and credible information about key Internet topics. This is particularly supportive of, although not limited to, the InterNetWorks Initiative, and will be undertaken with the support of the Communications department.
- Track ongoing research activities to help integrate their output in developing standards and technologies - Specifically focused on pursuing and elaborating the results from existing future Internet research programs. By late

2009, this activity will deliver a roadmap (of key technology research & development) as the basis for building a bridge from the future research to the current engineering.

Organization Membership: With respect to Organization Members, ISOC's goal is to develop a larger, more robust, diverse and involved body of organizational members, contributors and sponsors, each of which will support and help advance ISOC's mission and goals.

The Organizational Membership goals are to:

- Significantly increase net new members globally in 2009
- Expand membership across industry sectors, and diverse communities globally
- Execute initiatives and activities with key members in order to enhance ISOC's value and partnership thereby establishing "lighthouse" members who support and reinforce ISOC's global mission
- Meet the revenue goals outlined earlier in this document.

To this end, a multi-year organization member development plan has been developed as part of the 2008 – 2010 Budget. The goal of the plan is to grow the number of members and year-to-year membership revenues, to increase the diversity of the membership across segments/communities and to expand member engagement in ISOC initiatives and activities, in support of ISOC mission and values.

The membership branding project completed in 2008 formalized ISOC's initial organization membership brand platform and provided information directly applicable to continuing development of the overall organizational brand. The objectives, themes, positioning options, value proposition, and messaging tactics which will provide a good base for the new communications and strategy activities commencing Q4 2008.

In addition to building brand awareness, a central component of the strategy is encouraging and supporting two-way, personalized and structured engagement between staff and current/prospective members which results in mutual, demonstrable and measured value both to members and to ISOC in terms of supporting its major initiatives and programs. Organization members provide a rich resource of expertise and insights that can provide significant benefits to ISOC in carrying forth its work and in supporting its mission.

Chapters and Individual Members:

Through the Chapters and their members, ISOC's vision is to become truly effective at the local level in pursuing and realising ISOC's mission. Think global, act local.

Chapter Development is a long term, multi-year programme. The goal of the Chapter Development plan is to leverage the diversity and skill of the Chapters to the overall advantage of the organization.

In 2009 the focus will be to:

- Deliver and implement the membership component of the Association Management System;
- Complete and deliver the “Chapter Handbook”
- Strengthen the fabric of working relationships with the Chapters through programs such as a pilot Chapter Event Programme, the ISOC Community Grants Programme, and the “Sphere” project;
- Increase the number of new and/or active Chapters;
- Continue the integration of the Chapters in ISOC (in particular across the strategic Initiatives);
- Review and develop the policy and procedural framework within which Chapters operate

Emphasis will also continue on providing support, infrastructure and information to assist Chapters with capacity development. To that end, in 2009 one additional FTE will be recruited.

For both Chapters and Individual members the goals are:

- Increase the number of awards in Project Funding by 25% in conjunction with ISOC’s Initiatives – Enabling Access, InterNetWorks, and Trust & Identity;
- Increase the subscription and number of verifiably active members (both in Chapters and Individual members) globally by 50% in order to validate the healthy reach and visibility of ISOC’s mission.

With respect to Individual members, ISOC will continue to strengthen its communication and engagement efforts providing opportunities for Individual members to participate in and contribute to the work of the Society.

Communications:

The Communications department is responsible for the strategic and tactical communications activities in support of the Internet Society’s mission, initiatives, programs, departments and projects. This includes development and preservation of institutional brand identity and the collaborative development and delivery of programmatic messages and project-level communications vehicles in cooperation with all departments in the organization.

ISOC will concentrate significant, visible efforts in marketing ISOC’s positions on key topics with a clear and strategic focus on having maximum impact. These campaigns will have as a goal to reach decision makers and new audiences. The topics for these campaigns are identified in the individual sections of this Business

Plan. Given the recent appointment of the VP – Strategic Communications and Business Planning, detailed plans are still being developed.

Core communications responsibilities include developing and producing marketing materials, press releases, background papers, and the annual report; contracting appropriate translation services; planning and providing meeting support for board meetings, staff retreats and other organizational events; developing and maintaining the website in support of all ISOC departments and activities.

Specific support for initiatives, programs, departments and projects includes supporting individual meetings, events and fellowships, collaborating and developing research vehicles to gather data on communities, technologies or policies of interest to the Internet Society; assisting in the identification and development of appropriate editorial materials to support specific communications objectives; conducting outreach to the media or other entities to promote defined program or project communications objectives; and the publishing of appropriate editorial material in print and online to promote the diffusion of knowledge and expanded dialog on specific topics. In addition, the communications department supports the membership department in developing and conducting research; developing and producing materials and conducting outreach to the Internet Society chapters, individual membership and organizational membership.

The communications department has a key role to play within the Internet Society as the one department responsible for coordinating and moderating the overall tone and message of all ISOC communications to ensure the quality, delivery and effectiveness of key messages for specifically targeted and largely new audiences.

Information Technology: The Information Technology department is responsible for implementing, managing and developing ISOC's IT infrastructure, applications and tools.

Core IT activities include designing and developing ISOC's IT infrastructure and architecture, system management of ISOC's servers, clients and network components, evaluation, selection and implementation of new applications and tools, operation of ISOC's web site, development of web-based applications and provision of user support through the IT helpdesk.

In 2009 ISOC IT will continue to work with ISOC staff to provide IT support for ISOC programs and projects. This will include identifying ways of using IT to improve processes as well as introducing or developing new tools. New procedures will be

implemented to facilitate gathering user requirements and to provide feedback to staff on the implementation of new tools.

ISOC's growing distributed organisation together with the diversity of installed hardware and software platforms presents the IT department with some special challenges. Specific activities in 2009 will address these by making increased use of Internet-based tools and by further developing our system management and administration tools and processes.

ISOC's unique position also requires that ISOC IT ensures adherence to best practices in the use of Internet technologies whenever possible. An example of an activity in this area includes our use of IPv6. The ISOC web site and Wiki were IPv6-enabled some time ago via a tunnel service and we are now planning to move to a hosting facility that will provide us with native IPv6 connectivity.

IV. ISOC Expenses

Expenses are separated into Departmental Expenses and Program Expenses.

- Departmental Expenses include the "internal" costs of personnel, travel and other support activities incurred by an operating unit. General & Administrative (G&A) expenses are allocated to the Departments as well, based on relative personnel costs.
- Program Expenses are those "external" costs incurred to carry out the Initiatives and other programs such as NDSS and the Postel Award.

The chart below and the following sub-sections (**Section IV.a. and Section IV.b.**) provide comparative detail for both Departmental and Program budgets.

**Internet Society
2009 Expense Budget (excluding IETF)**



	2009	2008		2009 Change Compared to	
	Budget	Forecast	Budget	2008 Forecast	2008 Budget
ISOC Department and Program Expenses (excl IETF)					
<u>Departmental Expenses (Including Core Projects)</u>					
<i>Operations Group</i>					
COO and Support Functions	\$ 849,342	\$ 420,000	\$ 555,939	\$ 429,342	\$ 293,404
Education	1,178,183	1,080,000	1,142,381	98,183	35,802
Public Policy & Regional Bureaus	2,071,218	1,975,000	2,163,814	96,218	(92,596)
Organization Members	1,112,321	720,000	897,428	392,321	214,892
Chapters and Individual Members	1,176,375	1,100,000	1,153,614	76,375	22,762
IT (Includes Support Expenses formerly in G&A)	1,289,393	740,000	757,154	549,393	532,239
Subtotal Operations Group	7,676,831	6,035,000	6,670,329	1,641,831	1,006,502
<i>Strategic Group</i>					
Standards and Technology	1,370,364	1,050,000	1,209,858	320,364	160,506
Major Strategic Initiatives	844,964	350,000	355,027	494,964	489,936
Strategic Global Engagement (formerly in Primary Support)	770,375	300,000	328,000	470,375	442,375
Communications	2,396,581	1,200,000	1,580,644	1,196,581	815,937
Subtotal Strategic Group	5,382,284	2,900,000	3,473,529	2,482,284	1,908,755
Total Departmental Expenses	13,059,116	8,935,000	10,143,858	4,124,116	2,915,257
<u>Program Expenses</u>					
Enabling Access Initiative	1,359,000	1,275,000	1,450,000	84,000	(91,000)
InterNetWorks Initiative	285,000	200,000	614,500	85,000	(329,500)
Trust & Identity	198,500	210,000	300,000	(11,500)	(101,500)
Other Programs/Projects (NDSS, Postel, Grants Research)	160,000	185,000	260,000	(25,000)	(100,000)
Subtotal - External Program Expenses	2,002,500	1,870,000	2,624,500	132,500	(622,000)
Total ISOC Expenses (excl IETF)	\$ 15,061,616	\$ 10,805,000	\$ 12,768,358	\$ 4,256,616	\$ 2,293,257

IV.a. ISOC Expense Budgets – Departments

With the addition of the Chief Operating Officer in late 2008, departments have been grouped into two categories, an “Operations Group” reporting to the COO and a “Strategic Group” for all other functional areas.

For 2009, commitments of internal resources increase in each departmental area as we grow to meet our expanded ambitions and round out support in needed areas.

On a comparative basis, each departmental budget would have shown a greater increase from 2008 but for a number of accounting changes for 2009:

- Primary Support, a group formed in 2008 to include Events Management, Grants Management, Strategic Global Engagement, and the CEO has been discontinued. The cost of these Primary Support functions was previously allocated to each department. All of these former Primary Support resources except the CEO are now included in specific departments and not allocated to other departments as they were in 2008. The CEO has been moved to G&A and is thus allocated to the departments through that accounting process.
- The Director of Membership, previously allocated to Chapters and Org Membership departments, was upgraded to provide for the Chief Operating Officer position, and therefore is no longer in those departmental budgets.
- The Communications Department will assume the budgetary responsibility for communications-related contributions that were previously included in the Initiative budgets.

Note: Also see **Section VII. - Personnel** for a detail of budgeted staff.

Departments within the Operations Group:

COO & Support Functions: A new department has been created to house the Chief Operating Officer and a number of supporting personnel: the Grants Manager, a part-time fellowship travel assistant located in the Reston office, and a part-time assistant located in the Geneva office.

Education: The Education Department's budgeted expenses increase by 3% over the 2008 budget with the planned addition of a fourth member of the Education team. In addition, ISOC will fill the Director's position, which has been filled part-time since July 2008. This budget would have increased by a much larger percentage but for the accounting changes mentioned above.

Public Policy/Bureaus: The Public Policy budget has increased compared to the 2008 forecast, but decreased compared to the 2008 budget, caused by the change in allocation of "Primary Support" costs noted above. Hiring of an additional senior staff member in 2009 is planned. However, this position was in the 2008 budget, and was not filled as contractors were used instead to provide an initial roadmap to identify key stakeholders at the regional and local levels.

The Public Policy Department will continue with this "Public Policy Roadmap" as a "core" project in 2009, seeking stakeholders' input on key issues affecting Internet development. The goal is to provide ISOC with intelligence on issues impacting the Internet's future, as well as a map of key influencer's positions on strategic issues. Regional Bureaus are part of the Public Policy Department. During 2009 ISOC will look to expand the activities of the Regional Bureaus, possibly adding resources to this key functional area later in the year.

Organization Members: The Organization Member budget increases with the addition of a senior staff member and a resource to seek additional revenue sources for IETF and ISOC activities. The Organization Member budget also includes \$130,000 for "Core" projects. The first Core project in 2009 will be the final stage of the Brand Platform and Marketing Program. Thereafter, the Membership Department will implement an outreach program based on the Brand Platform results.

Chapters/IMs The budget for Chapter and Individual Member activities increases by 2% over the 2008 budget. This increase would have been much larger if not for the elimination of (a) allocation of the Director of Membership cost and (b) Primary Support costs to this department. The Chapter/Individual Member budget once again includes \$200,000 to fund member-submitted Projects, and \$33,000 to

develop a Chapters Handbook, \$62,000 to continue the Sphere Project, \$30,000 for Chapter Fellowships, and \$40,000 for a pilot Chapter Event Program to provide matching funds for chapter functions. Significant additional support will be provided to chapters and members through our program and communication activities and these costs can be found in other department and external cost lines.

Information Technology: The IT budget was formerly included in a joint Communications/IT department. For 2009, the IT budget reflects an expanding role in internal communications technology, improved use of ISOC's website, and implementation of new resources such as an Association Management System. In mid-year 2008, ISOC hired a Senior Manager of Information Services to work with staff to identify and better support staff IT development needs. In 2009, we plan to hire a systems manager dedicated to major systems implementation and management.

Finally, costs for supporting ISOC's IT needs (such as hosting costs, systems maintenance costs, software upgrades, and non-capitalizable hardware) have been moved from G&A to this newly created department to fully capture ISOC's IT support costs, accounting for \$190,000 of the budget increase.

Departments within the Strategic Group:

Standards & Technology: The Standards and Technology budget increases 13% from the 2008 budget, even though no new staff is being sought. The increase in budget reflects a full year of staffing for the three Technology Managers hired during 2008.

MSI/Trust & Identity: The MSI budget for 2009 more than doubles the 2008 budget, as two new staff members are brought on board to assist in developing the Trust and Identity space, including research and technical writing and external technical partner development.

Strategic Global Engagement:

The Strategic Global Engagement group was previously included in Primary Support Group. In 2009, we plan to add a senior policy expert to assist in global strategic policy matters. The SGE group has a number of "Core" projects for 2009, including leadership of an IGF meeting, sponsorship of IGF Ambassadors, various OECD programs, and participation in regional advisory policy meetings.

Communications:

The Communications Department budget shows the largest increase of any department. This increase reflects the addition of resources beginning with the recently hired Vice President of Strategic Communications. We plan to hire an additional senior communications manager and anticipate that the current Director of Education will move from her part-time role in Education to a similar part-time position within the Communications Department.

Finally, the Events Planning Department, formerly accounted for in the Primary Support budget, will join the Communications Department.

The budget increase also reflects an accounting change in which ISOC will reflect all communications-related activities in the Communications Department budget. Some of these expenses were previously included in individual Program budgets. \$315,000 is budgeted for campaigns, new publications, member briefings, and marketing materials.

The Communications budget also includes \$200,000 for ongoing publications and communications (e.g., Annual Report, Societes de l'information, Hall of Fame project, and ISOC positioning statements); \$60,000 for building a Translation Plan and translating a number of ISOC publications; and \$25,000 for a planned promotional event in 2009.

IV.b. ISOC Expense Budgets – Programs

The total 2009 budget for External program expenditures increases from actual expenditures in 2008, but decreases from the 2008 budget. The decline is largely due to three factors.

- First, the External Program expenses for many Programs within the Initiatives have been reduced to reflect a shift to utilize Internal staff resources as ISOC has added the necessary key expert personnel.
- Second, as mentioned in the Communications Department budget discussion above, the communications-related deliverables in the Program budgets have been largely consolidated within the Communications budget instead of the Program budgets.
- Third, the budget to explore and seek grants through outside contractors has been reduced from \$150,000 in 2008 to \$50,000 in 2009, as again ISOC plans to add an Internal resource for this effort now that the initial scoping is complete.

For details about the goals and objectives of the Initiatives and their Programs, review **Section III**.

Internet Society 2009 Initiative and Program Budgets - External Expenses					
	2009	2008		2009 Compared to: 2008	
	Budget	Forecast	Budget	Forecast	2008 Budget
Enabling Access Initiative					
Regional & Local Access	\$ 300,000	\$ 260,000	\$ 375,000	\$ 40,000	\$ (75,000)
Access - Underserved Communities	190,000	185,000	261,000	5,000	(71,000)
Capacity Building	869,000	830,000	814,000	39,000	55,000
Total Enabling Access Initiative	1,359,000	1,275,000	1,450,000	84,000	(91,000)
InterNetWorks Initiative					
Common and Open Internet	110,000	50,000	243,000	60,000	(133,000)
Global Addressing	100,000	100,000	300,000	-	(200,000)
Security and Stability	60,000	50,000	71,500	10,000	(11,500)
AlterNetives	15,000	-	-	15,000	15,000
Total InterNetWorks Initiative	285,000	200,000	614,500	85,000	(329,500)
Trust & Identity Initiative	198,500	210,000	300,000	(11,500)	(101,500)
Other Programs/Projects					
Foundation and Grants Research Development	50,000	75,000	150,000	(25,000)	(100,000)
NDSS	85,000	85,000	85,000	-	-
Postal Award	25,000	25,000	25,000	-	-
Subtotal Other Programs/Projects	160,000	185,000	260,000	(25,000)	(100,000)
Total - External Program Expenses	\$ 2,002,500	\$ 1,870,000	\$ 2,624,500	\$ 132,500	\$ (622,000)

IV.c. General and Administrative Expenses

General & Administrative/Governance expenses will increase 41% over the budget for 2008. This growth accompanies a similar budgeted increase in ISOC's staff size and operating budgets since 2008.

Of the \$837,000 in increased G&A budget, \$600,000 represents the movement of a number of employees from the "Primary Support" group used in 2008 to the G&A budget (affecting the travel and salaries lines). Another \$162,000 represents increased rent costs as ISOC's leases expired in both the Reston and Geneva offices and we concurrently expanded our space to prepare for current and future growth.

Comparisons to the 2008 G&A budget by expense category are provided below.

**Internet Society
2008 G&A/Governance Budget**



	2009	2008	2009
	Budget	Budget	Compared to 2008 Budget
<u>GOVERNANCE COSTS</u>			
Legal fees	\$ 3,000	\$ 1,500	\$ 1,500
Directors & Officers Insurance	3,500	4,000	(500)
Meeting Cost and Travel	95,000	91,000	4,000
Board telephone & committee calls	2,500	8,500	(6,000)
Misc (postage, copying, etc.)	2,800	1,500	1,300
Total Governance	106,800	106,500	300
<u>G & A COSTS</u>			
Legal, Insurance & Accounting	123,275	64,600	58,675
Business Taxes	6,475	1,475	5,000
Travel and Meetings	168,000	10,450	157,550
Temporary Help	-	24,700	(24,700)
Professional Services	35,000	75,200	(40,200)
Depreciation and Amortization	310,000	226,590	83,410
Rent (Net of PIR Share)	334,182	171,800	162,382
Telephone	10,700	7,500	3,200
Materials & Supplies	34,735	116,000	(81,265)
Bank, Credit Card and Payroll fees	50,500	38,300	12,200
Computer fees, IT/outsourcing fees	-	104,600	(104,600)
Office expenses	21,000	20,000	1,000
Salaries (G&A and Governance)	1,587,477	957,358	630,119
Relocation expenses (Moving exps.)	10,000	25,000	(15,000)
Misc (postage, copying, employ train)	34,950	45,525	(10,575)
Subtotal (includes salaries)	2,726,294	1,889,098	837,196
Total Governance & G&A Costs	\$2,833,094	\$ 1,995,598	\$ 837,496

The most significant changes are in the following areas:

Legal, Insurance, Acctg

The budget for 2009 includes a modest amount of legal fees for review of the PIR corporate structure (\$10,000); Audit & Tax costs rise due to increased audit requirements (\$12,000), and Insurance costs rise (\$23,000) due to increased coverages, including a global medical policy for international staff travel.

Travel & Meetings

G&A travel increases as travel cost for several staff members previously in “Primary Support” have been moved to be included in General & Administrative. An “All Staff” retreat, highly successful in 2008, is budgeted for 2009, as are two senior staff meetings.

Temporary Help

Temporary Help in 2008 was budgeted for assistance in the Accounting area, and was replaced by a part-time employee in 2008.

Professional Services	The budget for Professional Services included 2008 expenditures to review important compliance areas, including global employment practices, compensation levels, the Geneva office internal controls, and organization structure. Use of outside sources for such studies will decrease in 2009.
Depreciation	Depreciation expense increases substantially due to the projected placement in service of the AMS system and new IETF tools, both included in the 2009 Capital Budget (see Section VI. below).
Office Rent	ISOC's Reston office lease expired in 2008 and new space was secured to provide space for current and future growth in staff. The Geneva office, provided to ISOC in return for ISOC membership recognition, will need to be replaced in 2009, substantially increasing the rent cost for that office.
Materials & Supplies	Much of this expense category, originally dominated by non-capitalizable (ISOC's capital threshold is \$5,000) telecommunications equipment and support and computers for the added staff, has been moved to a new IT department.
Bank, Credit Card, Payroll	Credit card processing volumes and fees have increased and Payroll/Personnel service fees increase with the added personnel levels.
Computer Fees/Outsource	These expenses have been moved to a new IT department.
Salaries	G&A salaries increase as several staff members previously in "Primary Support" have been moved to be included in General & Administrative.


V. IETF/IASA

On October 2, IAOC approved the 2009 Budget to be forwarded to ISOC's Board of Trustees. The 2009 budget reflects a reduction in ISOC's contribution toward IETF ongoing operations of \$50,500. However, non-recurring capital development costs budgeted at \$260,000 (\$160,000 more than the 2008 budget) would increase ISOC's contribution by \$109,500 over the 2008 IETF/IASA budget.

The IETF Budget incorporates the following key assumptions:

- Meeting registration fees will be increased 6% to \$675.
- Two "Large Interim Meetings" (LIMs) will be held in 2009 for the first time; attendance is budgeted to be a total 675 attendees for the two meetings with registration fees of \$375.
- Meeting attendance at the three major meetings will decline 2% following recent trends; another 2% decline is assumed as an impact of the introduction of the LIMs.

- Sponsorship commitments have been secured for the three major meetings and NOC provisioning in 2009; sponsors are still being sought for the Welcome Reception in Hiroshima (\$50,000) and the two LIMs (\$50,000 each).
- Hotel commissions will decline \$45,000 for 2009 as a non-recurring event because of the hotel arrangements in Hiroshima (IETF 76).
- Secretariat costs increase 5% in the second year of the AMS contract; general meeting costs are budgeted to decline slightly; the cost of the Hiroshima venue has increased Other Meeting Costs, but that cost is entirely offset by sponsorship commitments.
- A \$50,000 contingency for potential currency fluctuations or attendance shortfall (this is the second year a contingency has been included).
- A \$75,000 transition budget is included as the IETF expects to move to a new RFC Editor contract and format that will yield savings in 2010 and beyond.
- A capital expenditure budget of \$260,000 is included. The two projects targeted for funding are enhancements to the ID Tracker system, and improvements to the RFC Editor tools. The former effort assumes enhancing the current ID Tracker platform. If the decision is made to switch to the Secretariat's ARO platform, those expenses will be reduced (but not totally eliminated), as the ARO platform development is a requirement under the current contract with AMS.

Internet Society 2009 IASA Budget							
	2009	2008		2009 Change Compared to 2008		Extended Forecast	
	Budget	Forecast	Budget	2008 Forecast	2008 Budget	2010	2011
IASA/IETF							
Meeting Registration Fees and Other	\$ 2,637,100	\$ 2,430,030	\$ 2,402,500	\$ 207,070	\$ 234,600	\$ 2,669,816	\$ 2,604,119
ISOC/IETF Sponsorships	870,000	484,500	605,000	385,500	265,000	805,000	1,080,250
New IETF Support Initiatives	115,000	(25,000)	(25,000)	140,000	140,000	350,000	500,000
Expenses (Excluding Capitalized Expenditure)	(5,076,000)	(4,284,817)	(4,545,949)	(791,183)	(530,051)	(4,963,923)	(5,437,915)
Contribution to Ongoing Activities	(1,453,900)	(1,395,287)	(1,563,449)	(58,613)	109,549	(1,139,107)	(1,253,546)
Capital Expenditures	(260,000)	(95,000)	(100,000)	(165,000)	(160,000)	(200,000)	(100,000)
ISOC's Contribution to IETF	\$ (1,713,900)	\$ (1,490,287)	\$ (1,663,449)	\$ (223,613)	\$ (50,451)	\$ (1,339,107)	\$ (1,353,546)

Exposure to possible shortfall in the 2009 budget will be monitored by IASA. Those exposures include:

- Sponsorships for the Hiroshima Welcome Reception and the LIMs have yet to be secured, comprising a potential shortfall of \$150,000. However, the Welcome Reception may be covered by the host, and efforts are underway to secure LIMs sponsors at the modest contribution level.
- The budget assumes that efforts to secure new supporting revenues will yield funds of \$115,000.
- The introduction of the LIMs may have a greater impact on the attendance at the three standing meetings of the IETF.
- Other attendance shortfalls continue to be a risk factor, particularly given the current worldwide economic climate.

A more detailed 2009 IASA/IETF Budget can be found in **Appendix B**.

VI. Capital Expenditures

The capital budget for 2009 reflects ISOC's plans to significantly upgrade key operational systems. As noted in **Section V.** above, IASA plans to upgrade the current Tracker ID system and improve RFC Editor tools. The Communications Department plans to undertake a significant redesign of ISOC's website, delayed from 2008. Most importantly, ISOC completed a selection process in 2008 that will lead to a major upgrade to our Association Management Systems, including features and tools available to our Chapters for their use.

As noted in the Revenue section above, a portion of the Organization Member contributions are expected to be in the form of equipment donation. For 2009, there is some uncertainty as to a similar "in-kind" donation, but capital items are included in this budget as an offset against planned recognized revenues.

Summary of Program Activity		
<u>Capitalizable Projects</u>		
	2009 Budget	2008 Budget
External Project Expenses:		
Accounting System	-	40,000
IETF Capitalizable Tools	260,000	100,000
Web Redesign	150,000	150,000
IT Infrastructure Enhancements	58,000	23,000
Association Management System	400,000	95,000
Leasehold Improvements/Cabling - Office Relocation	-	25,000
VOIP - Reston	-	15,000
Administrative Equipment/Computers/Servers/License	82,500	50,000
Computer equipment-donation in kind	100,000	100,000
Total External Project Expenses	\$ 1,050,500	\$ 598,000

VII. Personnel

In 2008, ISOC absorbed substantial staff growth for the third straight year. ISOC worked to assimilate new staff and new functional groups to contribute to our mission and the goals of our new Initiatives. Not only were we joined by ten new staff members during 2008, but new operational groups added in late 2007 in the areas of Standards and Technology (including three contributing staff members), Strategic Global Engagement, and Grants Management came on stream fully in 2008.

Finally, late in the year ISOC completed a significant reorganization of its operations with the addition of a Chief Operating Office and a Vice President of Strategic Communications and Business Planning. The former is located in Geneva and the latter will be based in the Reston office.

ISOC forecasts that we will end 2008 staffed with 35 “full-time equivalents” (FTEs), having added ten new employees and replaced two former director level positions with the two senior level personnel. At the close of 2008, three positions remained open (a senior Public Policy Manager, a replacement for the Director of Education, and a Communications Manager) as we sought to first hire the senior personnel. Partially offsetting, we added two positions not in the original 2008 budget (a Technology Standards Manager and a part-time Membership Coordinator).

In 2009, ISOC’s budget anticipates the addition of 30% more staff (13 FTEs, including the three positions held open at the end of 2008 which we anticipate will be filled in late 2008 or very early 2009), as we round out most every functional area. The 2009 additions are listed below with commentary.

Note that the exact positions may be adjusted as the Chief Operating Officer and the Vice President of Strategic Communications review their staffing needs leading into 2009.

Internet Society 2009 Personnel Budget (Year-End)			
<u>Department/Position</u>	<u>2008 Count</u>		<u>2009</u>
	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
<i>Operations Group</i>			
COO and Support Functions	2.5	2.5	3
Education	3	2.5	4
Public Policy/Bureaus	6.5	5.5	6.5
Organization Membership	1	1.5	4
Chapters	2.5	2.5	3.5
IT	3	3	4
<i>Subtotal - Operations Group</i>	<u>18.5</u>	<u>17.5</u>	<u>25</u>
<i>Strategic Group</i>			
Standards & Technology	3	4	4
Strategic Global Engagement	1	1	2
Major Strategic Initiatives	1	1	3
Communications	4.5	3.5	5
<i>Subtotal Strategic Group</i>	<u>9.5</u>	<u>9.5</u>	<u>14</u>
<i>Other Positions</i>			
IAD	1	1	1
General & Administrative	7	7	8
Grand Total	<u>36</u>	<u>35</u>	<u>48</u>

COO & Support Functions For 2009, a new department has been created for those individuals who do not fall within other functional areas. The personnel in this department include the COO, the Grants Manager, and a part-time general assistant.

Education

The current Director of Education moved to a part-time role in mid-2008, and is expected to transition to another role. Therefore, ISOC has begun a search for a new Director of Education. We will also add a Manager of Education to round out this team of four professionals.

Public Policy/Bureaus	A Senior Manager position remains open at the end of 2008, as our Public Policy staff used contracted experts to develop the deliverables anticipated in the 2008 plan. We plan to fill that position in 2009. Consequently, only this open position will be added to the Public Policy group in 2009. Expanded roles for the Regional Bureaus will also be sought.
Org Membership	The Org Membership Department has been without a director for most of 2008, while functioning under the direction of the CEO. This department will now fall under the Chief Operating Officer. In 2008, ISOC added a part-time Membership Coordinator; that position will become full-time in 2009. The 2009 budget further provides for an additional senior staff person to assist in efforts to involve our organization members and a dedicated resource to raise additional sponsorships, membership, and external grant revenue. This department shows the most significant growth as we invest in developing new revenue streams.
Chapters	Following the addition in 2008 of a Chapter Manager and a Grants Manager to coordinate project funding grants, ISOC will add a Chapter Support Coordinator to assist existing staff in their efforts to expand the breadth of the Chapters' involvement in ISOC's mission.
IT	The IT Department, formerly reporting to the Director of Communications, will now report to the Chief Operating Officer. In 2008, we added a Senior Manager of Information Services, who will oversee some of the Association Management System implementation while focusing on staff end-user needs. In 2009, we plan to hire a full-time professional to assist in both the implementation and the ongoing operation of that system.
Standards & Technology	With the addition of three senior Technical Managers in 2008 (one more than budgeted), the Standards and Technology Department is considered fully staffed for 2009. A supporting coordinator could be added later in the year if funds allow and the workload demands.
Strategic Global Engagem^{'t}	This working area will be reported as a department in 2009, and be expanded to include a senior policy expert to assist in global strategic policy matters. This staff member will lead interaction with key multilateral agencies, and with external partners to expand ISOC's engagement with those agencies and others in the Internet technical community.
Major Strategic Initiative	A staff member will be added to assist the Director with outreach to other parties active in the areas of Trust and Identity. This staff member will actively manage shared projects with external partners. A Research Analyst/Writer will also be added to increase

ISOC's level of technical leadership and to support both consultation and publication in this important long-range program.

Communications

In 2008, the leadership in this area has been provided by the CEO and a part-time contractor. With the addition of the Vice President of Strategic Communications, we will hire an additional communications manager and expect to move the former Education Director into a part-time capacity in Communications. The Events Management group, formerly accounted for in the Primary Support area, will also report to the new Vice President of Strategic Communications.

General & Administrative

With the added staff, the 2009 budget includes the addition of one full time general support person.

VIII. Cash Reserve

Under ISOC's 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. ISOC forecasts that the year-end 2008 cash balance will be in excess \$7 million. This balance will represent a cash reserve of approximately ten (10) months.

Since ISOC's level of operating expenses will increase in 2009, the cash reserves will fall from the ten month reserve projected for the end of 2008. Over the extended forecast period from 2009 to 2011, ISOC projects that it will maintain cash reserves sufficient to fund between six and seven months of operations, plus the IETF meeting guarantees.


IX. 2010 – 2011 Forecast

ISOC's planning cycle is based on a three-year extended outlook. ISOC's long term mission is to promote the open development and evolution of a global and inclusive Internet. To achieve this mission, ISOC must ensure the consistency of its educational, technology, and policy efforts over an extended period of time. The Initiatives are developed and action is delivered through the use of programs that also must be sustainable.

In overview, for the extended period of 2010-2011 ISOC expects a stabilization of the pattern of growth it has experienced in both personnel and programmatic commitments. After 2009, ISOC forecasts the rate of increase in spending will be between 7% and 8% per year. The main assumption in this slower rate of growth is the maturing of PIR's market and PIR's dedication of resources to leading efforts such as IDNs and DNSSEC.

At the same time, other sources of funds must increase to help mitigate PIR's anticipated impact. Organization Membership dues revenue is forecast to increase over the extended period, as the membership programs begun in 2008 and continued under the leadership of the COO yield

results. In addition, ISOC will increase efforts to seek grants or other giving sources. As a conservative projection, ISOC includes a modest projection of such revenue sources for 2010 (\$200,000) and 2011 (\$350,000), as reflected in the Sponsorship and Grants revenue line. These projections will be reviewed in depth in 2009 under the leadership of the newly appointed COO.

Internet Society Statement of Activities and Change in Net Assets 2009 Budget (with 2010 - 2011 Extended Forecast)			
	2009	Extended Forecast	
	Budget	2010	2011
Revenues (excluding IETF)			
Organization Membership/Platinum Sponsorships	\$ 1,300,000	\$ 1,400,000	\$ 1,600,000
Individual Member Dues & Donations	8,000	9,000	12,000
NDSS Registrations and Sponsorships	100,000	100,000	100,000
Sponsorships and Grants (including Postel; excluding IETF)	300,000	500,000	650,000
PIR Contribution to ISOC	15,000,000	16,000,000	17,000,000
Total Revenues (excluding IETF)	16,708,000	18,009,000	19,362,000
ISOC Department and Program Expenses (excl IETF)			
<u>Departmental Expenses (Including Core Projects)</u>			
<i>Operations Group</i>			
COO and Support	849,342	917,290	981,500
Education	1,178,183	1,272,437	1,361,508
Public Policy & Regional Bureaus	2,071,218	2,236,915	2,393,499
Organization Members	1,112,321	1,201,306	1,285,398
Chapters and Individual Members	1,176,375	1,270,485	1,359,419
IT (Includes Support Expenses formerly in G&A)	1,289,393	1,392,544	1,490,022
<i>Subtotal Operations Group</i>	7,676,831	8,290,978	8,871,346
<i>Strategic Group</i>			
Standards and Technology	1,370,364	1,479,993	1,583,593
Major Strategic Initiatives	844,964	912,561	976,440
Strategic Global Engagement (formerly in Primary Support)	770,375	832,005	890,245
Communications	2,396,581	2,588,308	2,769,489
<i>Subtotal Strategic Group</i>	5,382,284	5,812,867	6,219,768
Total Departmental Expenses	13,059,116	14,103,845	15,091,114
<u>Program Expenses</u>			
Enabling Access Initiative	1,359,000	1,467,720	1,570,460
InterNetWorks Initiative	285,000	307,800	329,346
Trust & Identity	198,500	400,000	500,000
Other Programs/Projects (NDSS, Postel, Grants Research)	160,000	172,800	184,896
Subtotal - External Program Expenses	2,002,500	2,348,320	2,584,702
Total ISOC Expenses (excl IETF)	15,061,616	16,452,165	17,675,816
Surplus (Deficit) from ISOC Activities	1,646,384	1,556,835	1,686,184
IASA/IETF			
Meeting Registration Fees and Other	2,637,100	2,669,816	2,604,119
ISOC/IETF Sponsorships	870,000	805,000	1,080,250
New IETF Support Initiatives	115,000	350,000	500,000
Expenses (Excluding Capitalized Expenditures)	(5,076,000)	(4,963,923)	(5,437,915)
Capital Expenditures	(260,000)	(200,000)	(100,000)
ISOC's Contribution to IETF (incl Capital Exp)	(1,713,900)	(1,339,107)	(1,353,546)
Other Revenue (Expense)			
Interest/Other Misc. Revenue	180,000	198,000	217,800
Currency Fluctuations Income (Expense)	-	-	-
Add back IETF Capital Exp (accounted for in depreciation)	260,000	200,000	100,000
Subtotal Interest/Other	440,000	398,000	317,800
ISOC Surplus (Loss) or Change in Net Assets	\$ 372,484	\$ 615,728	\$ 650,437
Change in Net Assets			
Unrestricted Net Assets, Beginning of Period	\$ 7,571,820	\$ 7,944,304	\$ 8,360,032
Unrestricted Net Assets, End of Period	\$ 7,944,304	\$ 8,360,032	\$ 8,810,469

Key resources were added in 2008 that will accelerate ISOC's efforts in support of its long term mission:

- The Standards and Technology Department was established with the addition of a Chief Internet Technology Officer and three staff members;
- A Strategic Global Engagement effort was initiated to ensure that ISOC has a strategy for, and access to, the highest level of policy makers and influencers across the globe; and
- A long term focus on key issues (e.g., Trust and Identity) was continued.

Other key resources are in place to further ISOC's long-term mission.

- The Chapter Program and our Individual Members are critical contributors to ISOC's programs, extending ISOC's work to the local level and providing ISOC with insights into the regional and local community needs.
- IASA/IETF activities continue to define and develop the technical standards for the Internet. ISOC's outreach efforts have become global, with placement of personnel in 12 different countries. ISOC's organizational sponsors provide both funding and participation in the long-term objectives.
- And finally, at the end of 2008 ISOC added personnel in key leadership positions and supporting areas, particularly highlighted by the addition of a Chief Operating Officer and a Vice President of Strategic Communications and Business Planning.

Although 2009 personnel additions and organizational changes should be less dramatic than the changes affected in 2007-2008, ISOC will continue its pattern of personnel growth with positions added in 2009 spread relatively uniformly across functional areas. After three years (2007-2009) of significant growth in both personnel and programmatic commitments, ISOC anticipates that a period of less dramatic growth will begin in 2010. Thereafter, and for the foreseeable future, ISOC will carry out the mission outlined in its Strategic Operating Plan – Part I.

Throughout the extended forecast period, ISOC maintains an Operating Reserve in excess of six months.

X. Public Support Test

As a public charity under Internal Revenue Code 501(c)(3), ISOC must receive at least one-third of its support from organizations, individuals, or governments in the form of membership dues, grants, contributions and or gifts. If ISOC fails the 33.33% test (which is calculated using the previous four tax years, increasing to five years in 2009), the Code allows for a "10% plus facts and circumstances" test. This test allows an organization receiving at least 10% of its financial support in the form of qualified public support to submit a plan showing how it intends to attract new public support. If this plan is reasonable and ISOC is able to show that it is making a good faith effort to increase its public support, the IRS generally allows organizations to maintain their public charity status. If ISOC cannot meet the "facts and circumstances" test and the IRS rules negatively, ISOC does not lose its tax-exempt status. Instead, it becomes a different type of charitable organization, a private foundation, with less beneficial tax treatment.

For purposes of the public support test, the contribution from a single donor in excess of 2% of our total donations is considered “unfavorable support”. Therefore, most of PIR’s contribution to ISOC is excluded from the test. An increase in the rate of PIR’s contribution in excess of the increase in other funding sources has already caused ISOC to fall below the 33.33% test. ISOC’s 2007 tax return (filed in 2008 using fiscal years 2003-2006) reflects a Public Support factor of 29%. Consequently ISOC will file a “facts and circumstances” plan with the Internal Revenue Service in 2009.

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, the 10% level is a firm test and cannot be missed.

ISOC continues to monitor and forecast the Public Support factor. To that end, we have forecasted the Public Support factor as far out as the report to be filed in 2016 (there is a two year lag in the data collected for the calculation, so the test results in 2016 are based on forecasted financial results through 2014). Two factors influence the results. The first is the rate of growth in PIR contributions. The second is the amount of other qualified funding sources. We have run various scenarios and believe ISOC can stay well above the 10% limit assuming contributions from PIR stay within a reasonable range of growth and ISOC delivers on other funding source goals.

Pro Forma Public Support Test Results												
Assumptions			Year Test Filed/Ending Tax Return Year used in Calculation									
	PIR Annual Increase after 2009	Annual Shortfall in Other Sources	2007/2005	2008/2006	2009/2007	2010/2008	2011/2009	2012/2010	2013/2011	2014/2012	2015/2013	2016/2014
Base	\$ 1,000,000	\$ -	40.4%	29.0%	24.2%	18.2%	16.3%	14.6%	14.4%	15.1%	15.3%	15.7%
Case 1	\$ 2,000,000	\$ -	40.4%	29.0%	24.2%	18.2%	16.3%	14.4%	13.9%	14.1%	13.9%	13.8%
Case 2	\$ 3,500,000	\$ -	40.4%	29.0%	22.8%	18.2%	16.3%	14.1%	13.2%	12.9%	12.2%	11.8%
Case 3	\$ 2,000,000	\$ (200,000)	40.4%	29.0%	22.8%	18.2%	16.3%	14.1%	13.4%	13.5%	13.1%	13.1%
Case 4	\$ 3,500,000	\$ (400,000)	40.4%	29.0%	22.8%	18.2%	16.3%	13.5%	12.3%	11.8%	10.9%	10.6%

Base Case

Under PIR’s forecast for contributions for 2010 and 2011, plus extension of the slowed growth of PIR contributions to \$1 million annually beyond 2009, the Public Support factor levels off around 14% and actually increases after the current high-growth years of 2006 – 2009 fall outside of the four to five-year horizon of the calculation. However, these assumptions are the most conservative as relates to the Public Support test.

Sensitivity Case 1

According to the analysis, an annual increase in PIR contribution of \$2 million will not cause ISOC to fall below the 10% public support limit over the test period, stabilizing near 14%. *This is considered the most likely scenario.*

Sensitivity Case 2

Should the annual increase in PIR contribution be \$3.5 million, ISOC still does not fall below the 10% public support limit over the test period. However, ISOC will near the 10% test by 2016 and hover close to 12%.

Sensitivity Case 3


Assuming a \$2 million annual PIR increase, should ISOC fall below its projections for other funding sources by \$200,000 each year, the results are approximately equal to Sensitivity Case 2, stabilizing near 13%.

Sensitivity Case 4

As an extreme example of the impact of falling short of ISOC's goals for other funding sources, should PIR's contribution increase \$3.5 million annually and ISOC miss its targets for other funding sources by \$400,000 annually, ISOC will approach the 10% test by 2016.

ISOC continues to monitor the Public Support Test requirement, and reports to the Board of Trustees twice annually. The fundraising we will undertake as a part of our normal business will count as good revenue and help with our Public Support calculations. Therefore, we do not recommend taking any action just now, but continue to revisit this matter at regular intervals.

Appendix A ISOC Budget & Three-Year Forecast

Internet Society Statement of Activities and Change in Net Assets 2009 Budget								
	2009	2008		2009 Changes - Greater Than (Less Than):		Extended Forecast		
	Budget	Forecast*	Budget*	2008 Forecast	2008 Budget	2010	2011	
Revenues (excluding IETF)								
Organization Membership/Platinum Sponsorships	\$ 1,300,000	\$ 1,171,565	\$ 1,150,000	\$ 128,435	\$ 150,000	\$ 1,400,000	\$ 1,600,000	
Individual Member Dues & Donations	8,000	7,000	9,500	1,000	(1,500)	9,000	12,000	
NDSS Registrations and Sponsorships	100,000	97,915	110,000	2,085	(10,000)	100,000	100,000	
Sponsorships and Grants (including Postel; excluding IETF)	300,000	100,000	150,000	200,000	150,000	500,000	650,000	
PIR Contribution to ISOC	15,000,000	11,500,000	13,000,000	3,500,000	2,000,000	16,000,000	17,000,000	
Total Revenues (excluding IETF)	16,708,000	12,876,480	14,419,500	3,831,520	2,288,500	18,009,000	19,362,000	
ISOC Department and Program Expenses (excl IETF)								
Departmental Expenses (Including Core Projects)								
<i>Operations Group</i>								
COO & Support Functions (formerly Primary Support)	\$ 849,342	\$ 420,000	\$ 555,939	\$ 429,342	\$ 293,404	\$ 917,290	\$ 981,500	
Education	1,178,183	1,080,000	1,142,381	98,183	35,802	1,272,437	1,361,508	
Public Policy & Regional Bureaus	2,071,218	1,975,000	2,163,814	96,218	(92,596)	2,236,915	2,393,499	
Organization Members	1,112,321	720,000	897,428	392,321	214,892	1,201,306	1,285,398	
Chapters and Individual Members	1,176,375	1,100,000	1,153,614	76,375	22,762	1,270,485	1,359,419	
IT (Includes Technical Support Expenses formerly in G&A)	1,289,393	740,000	757,154	549,393	532,239	1,392,544	1,490,022	
<i>Subtotal Operations Group</i>	7,676,831	6,035,000	6,670,329	1,641,831	1,006,502	8,290,978	8,871,346	
<i>Strategic Group</i>								
Standards and Technology	1,370,364	1,050,000	1,209,858	320,364	160,506	1,479,993	1,583,593	
Major Strategic Initiatives	844,964	350,000	355,027	494,964	489,936	912,561	976,440	
Strategic Global Engagement (formerly in Primary Support)	770,375	300,000	328,000	470,375	442,375	832,005	890,245	
Communications	2,396,581	1,200,000	1,580,644	1,196,581	815,937	2,588,308	2,769,489	
<i>Subtotal Strategic Group</i>	5,382,284	2,900,000	3,473,529	2,482,284	1,908,755	5,812,867	6,219,768	
Total Departmental Expenses	13,059,116	8,935,000	10,143,858	4,124,116	2,915,257	14,103,845	15,091,114	
External Program Expenses								
Enabling Access Initiative	1,359,000	1,275,000	1,450,000	84,000	(91,000)	1,467,720	1,570,460	
InterNetWorks Initiative	285,000	200,000	614,500	85,000	(329,500)	307,800	329,346	
Trust & Identity	198,500	210,000	300,000	(11,500)	(101,500)	400,000	500,000	
Other Programs/Projects (NDSS, Postel, Grants Research)	160,000	185,000	260,000	(25,000)	(100,000)	172,800	184,896	
Subtotal - External Program Expenses	2,002,500	1,870,000	2,624,500	132,500	(622,000)	2,348,320	2,584,702	
Total ISOC Expenses (excl IETF)	15,061,616	10,805,000	12,768,358	4,256,616	2,293,257	16,452,165	17,675,816	
Surplus (Deficit) from ISOC Activities	1,646,384	2,071,480	1,651,142	(425,096)	(4,757)	1,556,835	1,686,184	
IASA/IETF								
Meeting Registration Fees and Other	2,637,100	2,430,030	2,402,500	207,070	234,600	2,669,816	2,604,119	
ISOC/IETF Sponsorships	870,000	484,500	605,000	385,500	265,000	805,000	1,080,250	
New IETF Support Initiatives	115,000	(25,000)	(25,000)	140,000	140,000	350,000	500,000	
Expenses (Excluding Capitalized Expenditures)	(5,076,000)	(4,284,817)	(4,545,949)	(791,183)	(530,051)	(4,963,923)	(5,437,915)	
Contribution to Ongoing Activities	(1,453,900)	(1,395,287)	(1,563,449)	(58,613)	109,549	(1,139,107)	(1,253,546)	
Capital Expenditures	(260,000)	(95,000)	(100,000)	(165,000)	(160,000)	(200,000)	(100,000)	
ISOC's Contribution to IETF (incl Capital Exp)	(1,713,900)	(1,490,287)	(1,663,449)	(223,613)	(50,451)	(1,339,107)	(1,353,546)	
Other Revenue (Expense)								
Interest/Other Misc. Revenue	180,000	230,000	274,500	(50,000)	(94,500)	198,000	217,800	
Currency Fluctuations Income (Expense)	-	-	-	-	-	-	-	
Add back IETF Capital Exp (accounted for in depreciation)	260,000	95,000	100,000	165,000	160,000	200,000	100,000	
Subtotal Interest/Other	440,000	325,000	374,500	115,000	65,500	398,000	317,800	
ISOC Surplus (Loss) or Change in Net Assets	\$ 372,484	\$ 906,193	\$ 362,192	\$ (533,708)	\$ 10,292	\$ 615,728	\$ 650,437	
Change in Net Assets								
Unrestricted Net Assets, Beginning of Period	\$ 7,571,820	\$ 6,665,627	\$ 6,665,627	\$ 906,193	\$ 906,193	\$ 7,944,304	\$ 8,360,032	
Unrestricted Net Assets, End of Period	\$ 7,944,304	\$ 7,571,820	\$ 7,027,819	\$ 372,484	\$ 916,485	\$ 8,360,032	\$ 8,810,469	

* 2008 Departmental Budgets and Forecast adjusted for change in reporting of Primary Support expense

Appendix B
IASA's IETF Budget

2009 - 2011 IETF Budget with Interim Meetings								
	2008 Budget	2008 Frcst	Forecast Variance	2009 Budget	\$ Change to 2008 Budget	\$ Change to 2008 Frcst	2010 Advice	2011 Advice
Revenues								
Registration Fees	\$ 2,222.5	\$ 2,185.5	\$ (37.0)	\$ 2,220.1	\$ (2.4)	\$ 34.6	\$ 2,193.7	\$ 2,113.2
Interim Registration Fees	-	-	-	261.8	261.8	261.8	274.8	288.6
Sponsorships	245.0	249.5	4.5	505.0	260.0	255.5	290.0	540.0
NOC Sponsorships	360.0	235.0	(125.0)	265.0	(95.0)	30.0	410.0	430.0
Interim Sponsorships	-	-	-	100.0	100.0	100.0	105.0	110.3
Hotel Commissions	180.0	230.1	50.1	135.0	(45.0)	(95.1)	180.0	180.0
Interim Hotel Commissions	-	-	-	20.3	20.3	20.3	21.3	22.3
New Revenue	(25.0)	(25.0)	-	115.0	140.0	140.0	350.0	500.0
Miscellaneous	-	14.5	-	-	-	(14.5)	-	-
Total Revenue	2,982.5	2,889.5	(92.97)	3,622.1	639.6	\$ 732.6	3,824.8	4,184.4
Expenses								
RFC Editor/Edit Svcs	737.8	716.4	(21.4)	729.3	(8.5)	12.9	590.0	620.0
Secretariat Contract - Labor Only	1,500.0	1,460.2	(39.8)	1,538.0	38.0	77.8	1,614.9	1,695.6
Managed Meeting Costs (Variable)	919.6	855.0	(64.6)	891.5	(28.1)	36.5	897.5	960.2
Other Secretariat Costs	31.0	31.0	-	21.0	(10.0)	(10.0)	25.0	27.0
Other Meeting Expenses	236.6	210.4	(26.2)	549.2	312.6	338.8	313.4	566.0
NOC Expenses	360.0	235.0	(125.0)	265.0	(95.0)	30.0	410.0	430.0
Interim Meeting Costs	-	-	-	261.2	261.2	261.2	274.3	288.0
Transition Expenses	75.0	93.3	18.3	75.0	-	(18.3)	75.0	50.0
General Meeting Contingency	50.0	50.0	-	50.0	-	-	50.0	50.0
Special Projects	35.0	25.0	(10.0)	35.0	-	10.0	36.8	38.6
Admin (IASA,IETF, IAB, NomCom)	482.4	481.0	(1.4)	529.7	47.3	48.7	540.8	570.7
IETF Trust	23.5	32.5	9.0	33.1	9.6	0.6	33.4	33.8
ISOC G&A	95.0	95.0	-	98.0	3.0	3.0	102.9	108.0
Total Expenses	4,545.9	4,284.8	(261.1)	5,076.0	530.1	791.2	4,963.9	5,437.9
Anticipated ISOC Contribution to Operations	\$ 1,563.4	\$ 1,395.3	\$ (168.2)	\$ 1,453.9	\$ (109.5)	\$ 58.6	\$ 1,139.1	\$ 1,253.5
Capital Costs: Tools Development	100.0	95.0	(5.0)	260.0	160.0	165.0	200.0	100.0

Appendix C 2008 Organization Chart

