

Chairman, ISOC-ECC

14 November, 2010

Memorandum for the attention of the Internet Society Board of Trustees

Subject: Internet Society Business Plan and Budget, 2011-2013

Allow me to make some comments and suggestions about the [Business Plan and Budget](#), dated November 2, 2010 but which reached the Chapters List on 12 November 2010. Evidently, with notice of one day, these comments could not reach the Board of Trustees' meeting in Beijing.

1. Introduction

The document itself, of more than 100 pages, is itself testimony to a great deal of coordinated work among all the Internet Society staff, which is a significant achievement in itself. The budget strategy confirms the generally agreed orientation of the Internet Society for the Open Internet and enhanced public presence of the organisation in relation to multiple issues of Internet policy, governance, and technology.

Nevertheless, I do have a few comments on the document, which is apparently open for discussion during the next few weeks.

2. Rebalancing Internet Society revenues

Having been present at the Amsterdam Board of Trustees meeting, I recognise where the Board and Staff are coming from in this context. Irrespective of the 33% US IRS target, financial prudence would dictate diversification of resources.

However, the recommended solutions, which all contain great merit, do in some cases involve initiating programmes at first, at a financial loss. The Deployment and Operational Hub, the Internet Institute, and aspects of Strategic Development might generate new sponsorship, sales and even fees but it might be some time before they break even and contribute to ISOC's net resources. (p. 37). Thus one may deduce that from the point of view of the US IRS 33% target we are looking at the diversification of gross revenues, whereas from the point of view of ISOC's financial stability, we should also be looking for new revenues which are not necessarily tied to specific loss making expenditures.

In this context, it might well be possible to seek additional sponsorship for the Next Generation Leadership and Ambassadors programmes, but I rather doubt that it would be viable to charge fees to the participants, or to their individual employers or sponsors.

Also, the DOH envisages selling at least some of its products. But from the discussion (pp. 30-31) it is not clear how this would be achieved. On the one hand, content would be “... made

Chairman, ISOC-ECC

available to the general Internet community, ..." but on the other hand, some of that content would be sufficiently "unique to ISOC" (and presumably appropriately IPR protected) to engender sales and consultancy opportunities. I must say that this looks like a rather tall order, given the ubiquity and availability of much of the relevant information. I would be glad to be proved wrong.

Returning to Graph 3 (p. 25), it is not clear how USD 300K. could be raised from Regional Development projects in Africa, Asia, Latin America & Caribbean. How might that be funded? Is it new sponsorship, or joint financing with international development agencies?

Another way of rebalancing gross revenues would be to have PIR make direct contributions in certain cases, rather than having those funds syphoned through ISOC (e.g. W3C and the Internet Standards Endowment) effectively reducing PIR's contribution in ISOC's books, without prejudicing the Internet Society's underlying objectives.

In any event, I note that there is no discussion throughout the document about **exchange risks**. In the present context it might be wise to consider denominating certain revenues and expenditure in different currencies.

3. Chapters and Bureaus in the Regional context

Much is made in the text of the critical role of the Bureaus in the future and the hope and expectation of greater interaction with the Chapters. However, this is not translated into action among the detailed proposals.

- The additional staffing proposed (p.17) appears still to privilege the central organisations and not the **Regional Bureaus**. This is confirmed when one sees (p. 22) that only four additional posts will be made available to the Bureaus; none in Europe or North America. These proposals are inconsistent with the generality of additional tasks, priorities, responsibilities and 'focus' which is going to impinge on the Regional Bureaus, according to the rest of this document. ISOC-ECC has a particular interest in the healthy development of the European Bureau because of the wide range, aggressive schedules and political complexity of Internet issues in the European context. Even with the active support of ISOC-ECC and of many of our Chapter members, the presence of a sole post in Brussels is not realistic in the medium term. Also, we have (p. 21) that "The Bureau leader will be empowered to manage personnel and programs across multiple functional areas ... and will be held accountable to deliver ..." - *sic*.

I note that the document does not contain a statement as to the numbers, assignments and locations of the present staff (people and FTE). In a budgetary document of comparable scope and detail, that might be expected.

- There are several references to the potential contribution of the **Chapters**. However, when regional interaction is discussed in greater detail, these small and understaffed Regional Bureaus are expected to predominate. (e.g. pp.13-14). The Bureaus' discretionary and promotional budgets (p.24) are appreciated, but they should bear in mind that the local Chapters should be consulted about how these are to be spent.

Chairman, ISOC-ECC

The discussion under '**Policy**' (p. 26) also betrays something of a blind spot regarding the Chapters. I would actually query the conclusion (p.27) that “the Bureaus are ISOC at the local and regional level.” In Europe that is also ISOC-ECC. Nationally and locally, the Internet Society IS our Chapters. I hope that this section of the document will be rewritten before it goes any further forward.

- In this context, the discussion of **Engagement/Public Policy** (p. 83) could be improved. First, in my experience, governments are interested in ISOC's point of view as an informed representative of user interests (the “user-centric Internet”). ISOC is thus assimilated with 'Civil Society'. Accordingly it would be appropriate to refer to “ISOC's goal ... to work with ... other civil society ...”.

Also in the same section, it would be appreciated if the text could also refer to the ISOC-ECC and European Chapters' contributions to public policy on 'Hadopi', European Standardisation and Network Neutrality. And to record that the Internet Society's public policy consultations with national governments are usually channelled through the national Chapters concerned. The leading role of Internet Society Chapters in several national IGFs is a case in point.

- Lastly may I note that the document appears to assume that the **Affiliation Agreement** contracts are a done deal; there are several references. Granted, there is one footnote (p. 60) that recognises that the text is still a draft, under consultation.

In fact nearly all substantive comment on this proposal, (e.g. Chapters List, London INET Chapters' meeting), seeks a more balanced form of affiliation which is consistent with national laws and the standing of the Chapters themselves within the Internet Society family. In order to clarify this matter, I have proposed that the Chapters should be formally recognised in the Bylaws as Members of the Internet Society.

* * *

I trust that these comments and any others forthcoming from the membership of the Internet Society may be taken into account and acted upon, not only in the drafting of the final version of this document, but particularly in the implementation, over time, of human and financial resources, and in the definition and conduct of policy consultations and public statements.

Christopher Wilkinson
Chair ISOC-ECC