

IETF Administration LLC Report

Part 1 - Operations

Jay Daley

Executive Director

**IETF 119 Brisbane
March 2024**



Making the Internet work better

IETF Administration LLC

Thank you to the IETF 119 Hosts

Co-Host



Co-Host Consortium Members



Key Local Supporters



Local Host



**Diversity
and Inclusion**



Running Code



ERICSSON

Sustainability



IETF Administration LLC

Thank you to the IETF 119 Silver and Bronze sponsors

Silver

Diversity and Inclusion



Silver

Running Code



Bronze

Diversity and Inclusion



NBCUniversal



Bronze

Running Code



Bronze

Open Internet



IETF Administration LLC

Thank you to the IETF 119 Equipment, Services, and Connectivity Sponsors



IETF 119 T-shirt (and more)

<https://store.ietf.org>

Online ordering

(in your size, as many as you like)

Worldwide delivery



Codesprint

Ryan Cross
Jim Fenton
Nicolas Giard
Russ Housley
Tero Kivinen
Jean Mahoney
Sangho Na

Kesara Rathnayake
Jennifer Richards
Rich Salz
Paul Selkirk
Robert Sparks
Éric Vyncke

NOC

Hirochika Asai (Preferred Networks/WIDE)
Rob Austein (Arrcus)
Joe Clarke (Cisco)
Bill Fenner (Arista)
Bill Jensen (University of Wisconsin–Madison)
Hans Kuhn (NSRC)
Warren Kumari (Google)
Karen O'Donoghue
Clemens Schrimpe
Stephen Walsh (AARNet)

IETF Administration LLC

Thanks to the entire hard working team

Secretariat

Alexa Morris
Cindy Morgan
Gabby Croghan
Jenny Bui
Laura Nugent
Lindsey Richardson
Liz Flynn
Michelle Cotton
Paige Mustafa
Ryan Cross
Stephanie McCammon
Tess Hyden

Meetecho

Alessandro Amirante
Alessandro Toppi
Lorenzo Miniero
Paolo Saviano
Simon Pietro Romano
Tobia Castaldi

NOC

Daniel Branik
Aiden Branik
Sean Croghan
Thomas Eichinger
Con Reilly



IETF Administration LLC

Staff



Jay Daley
IETF Executive
Director



Greg Wood
Director of Comms.
and Operations



Debbie Sasser
Director of Finance



Robert Sparks
Tools Team PM



Jennifer Richards
Senior Developer



Nick Giard
Senior Software
Developer



Sangho Na
Senior Software
Development Engineer



Kesara Rathnayake
Senior Software
Development Engineer

IETF Administration LLC

Thanks to all of our Global Hosts and Global Supporters



IETF Administration LLC

Improvements to the onsite experience

Simplifying our services:

- Main registration desk now opens on Saturday morning
- Single shared workspace combines the lounge and terminal room

Reducing waste:

- Single Meeting/Hackathon badge, sustainably and locally produced
- T-shirts now pre-ordered for size and quantity matching
- Reduction in onsite food to minimize waste

IETF 120 Vancouver

20-26 July 2024



Hosted by



Sponsorship
opportunities
still available!

IETF Administration LLC

Future meeting locations and venues

MEETING LOCATION	VENUE	DATES	HOSTS
IETF 120 – Vancouver	Hyatt Regency Vancouver	July 20-26, 2024	Huawei
IETF 121 – Dublin	Convention Centre Dublin	November 2-8, 2024	Cisco
IETF 122 – Bangkok	Marriott Marquis Queen’s Park	March 15-21, 2025	*
IETF 123 – Madrid	Melia Castilla	July 19-25, 2025	*
IETF 124 – North America	TBA	November 1-7, 2025	*
IETF 125 – Asia	TBA	March 14-20, 2026	*
IETF 126 – Vienna	Hilton Vienna Park	July 18-24, 2026	*
IETF 127 – San Francisco	Hilton Union Square	November 14-20, 2026	*

* Please contact sponsorship@ietf.org if interested in sponsoring a meeting

IETF Administration LLC

Draft report on the 2023 community survey

Third annual IETF community survey. Three goals:

1. Size and demographic breakdown of the IETF community.
2. Data to inform the IETF community, particularly those in leadership roles, on what are some of the key issues affecting the IETF and why sometimes asserted issues are not actually issues.
3. A step in a time series of data that can be used to assess the natural changes affecting the IETF and the effectiveness of major programs, organisational changes and community/leadership actions.

Ran from Dec 2023 to Jan 2024. Distributed to 49,000 email addresses. Over 2000 responses.

Draft report now available - comments until 8 April.

https://www.ietf.org/media/documents/IETF_Community_Survey_2023_-_DRAFT.pdf



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I E T F

Draft report on the 2023 community survey - key findings

1. The IETF is good at delivering its mission and principles but could do much better
 - The IETF produces high quality, relevant RFCs in an open, transparent and consensus process.
2. The IETF is considered a very important organisation that outperforms its peers in all respects
 - On all aspects: openness, fairness, barriers, quality, cost, administration, behaviour and speed, the IETF is rated better than other SDOs.
3. Participation is driven by personal interest and a specific technology, not business or employer goals
4. The IETF still has a problem with gender diversity but there are signs of improvement
 - 7.84% of respondents identify as women and in multiple questions, women report a worse experience of the IETF than men.

Draft report on the 2023 community survey - key findings

5. Participation is dominated by people from just two regions and there are multiple factors behind that.
 - North America and Europe account for approximately 40% each of all IETF participants, with Asia a distant third at 11%
6. There is a problem with behaviour but it is hard to pin down
 - regular IETF participants rate the behaviour of IETF participants as worse than that in other SDOs.
7. New participants need to learn a lot to be effective and without that, people can feel excluded
8. Email is still universally preferred, but new participants are more comfortable with multiple mechanisms of participation

IETF Administration LLC Report

Part 2 - LLC Board Update Board Chair - Jason Livingood

**IETF 119
March 2024**



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Thank you for your service on the LLC Board!



Maja
Andjelkovic



Lars
Eggert

IETF Administration LLC

Who serves on the Board?



Roman
Danyliw



Mirjam
Kühne



Jason
Livingood,
Chair



Sean
Turner,
Treasurer



Shauna
Turner

IETF Administration LLC

Upcoming Board Meetings

Date & Time (UTC)

27 March 2024 - 17:00 UTC	14-15 May 2024 - Board Retreat
17 April 2024 - 17:00 UTC	12 June 2024 - 17:00 UTC
08 May 2024 - 17:00 UTC	10 July 2024 - 17:00 UTC

The Board strives for transparency with the IETF Community. Board meetings are open to observers except for items such as legal, contracts, personnel, and other matters that benefit from confidentiality. Each meeting is divided into four sections: Open; Board and Staff Only; Board and ED Only; Board Only. Our goal is to publish agendas one week or more before each meeting. Minutes of past meeting are also posted on a timely basis.

Schedule of future meetings, past minutes & how to join:

<https://www.ietf.org/about/groups/llc-board/>

IETF Administration LLC

2023 Fiscal Year Operating Budget

December balances, original budget

	YTD Actual	YTD Budget	YTD Variance	Annual Budget
Revenue	\$14,560,766	\$13,950,041	↑ \$610,725	\$13,950,041
Expenses	\$11,158,072	\$11,287,465	↓ (\$129,393)	\$11,287,465
Capital Investment	\$741,961	\$752,400	↓ (\$10,439)	\$752,400
Net Income after capital	\$2,660,733	\$1,910,176	↑ \$750,557	\$1,910,176

Investments

31 Dec 2023	31 Dec 2022	Change
\$22,653,809	\$18,815,052	↑ \$3,838,757

Notes:

- ICANN not co-hosting IETF-119 will have financial ramifications in our Q1 financials.
- Investment growth is recovery of losses in 2022.

IETF Administration LLC

Current Board Work

1. Updated financial support agreement with ISOC [complete]
2. Fundraising - closing critical deals in 1Q2024 [on track]
3. Fundraising - working on a targeted pitch to specific industry segments, with the first being the domain name industry [see part 3 of this presentation]
4. Fundraising - planning to apply for an ICANN grant related to the RPC function & RFC Editor ([opens Mar '24](#), \$10M fund - \$50K-\$500K [awards](#))
5. Long-Term Financial Picture [see part 3 of this presentation]

IETF Administration LLC

Contact & Background Information

Email:

- Public feedback to the board only: LLC-Board@ietf.org
- Discussion list: admin-discuss@ietf.org
- Executive Director: exec-director@ietf.org
- Sponsorship: sponsorship@ietf.org

IETF LLC web pages of interest:

- General: <https://www.ietf.org/about/administration/>
- Board Meetings and Minutes: <https://www.ietf.org/about/administration/llc-board/>
- Financial Statements: <https://www.ietf.org/about/administration/financial-statements/>
- Policies: <https://www.ietf.org/about/administration/policies-procedures/>
- Submit a whistleblower concern: <https://ietf.ethicspoint.com>



IETF Finances

**Part 3: Presentation to IETF
at IETF 119 Brisbane**

Board Chair - Jason Livingood



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Principle of Transparency

As laid out in BCP 101 and in the IETF LLC's guiding principles - we aim for maximum transparency.

As a result, we believe it is important to clearly explain the financial path that the IETF has been on, explain fully some financial issues on which we are focused, and outline some thoughts on potential next steps.



“Whatever doesn't have a specific justification for being kept confidential is expected to be made public.”

RFC 8711 / BCP 101

History of IETF Funding and Role of ISOC

- From **1983**: US government funding
- **1992**: ISOC formed in order to address IETF funding liabilities & provide corporate structure
- **2002**: ICANN awards .ORG to ISOC/PIR. This established a reliable funding stream to support the IETF.
- **2019**: IASA2 leads to formation of IETF Administration LLC & new ISOC funding agreements

References:

<https://www.sobco.com/presentations/2015-05-19-isoc-history.pdf>

<https://www.internetsociety.org/internet/history-of-the-internet/ietf-internet-society/>

<https://www.internetsociety.org/history/oral-history-of-the-internet-societys-founding/>



“The Internet Society was formed by a number of people with long-term involvement in the Internet Engineering Task Force (IETF). As a result, one of its principal rationales was to provide an institutional home for and financial support for the Internet Standards process.”

Vint Cerf

“IETF and the Internet Society”, July 1995



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Key Sources of Funding

2024 IETF LLC Budget

01 ISOC: **\$7,020,000**
Direct funding from the Internet Society as part of a long-term financial agreement

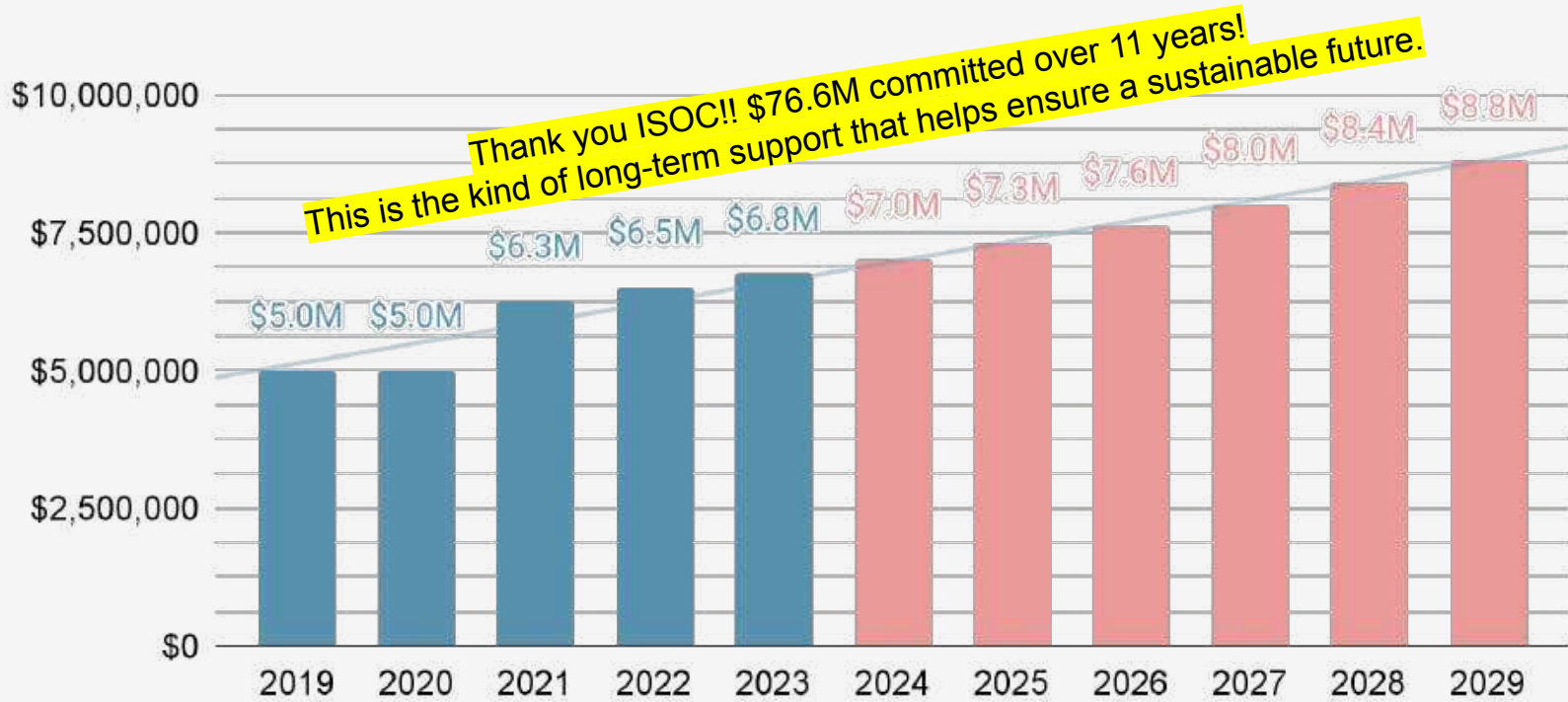
02 Reg Fees: **\$1,992,375**
Fees paid by IETF meeting attendees

03 Sponsors: **\$1,635,000**
Income from direct sponsorship agreements (not including free equipment/services).

04 Donations: **\$1,000,000**
Budgeted direction donations, primarily for the IETF Endowment.

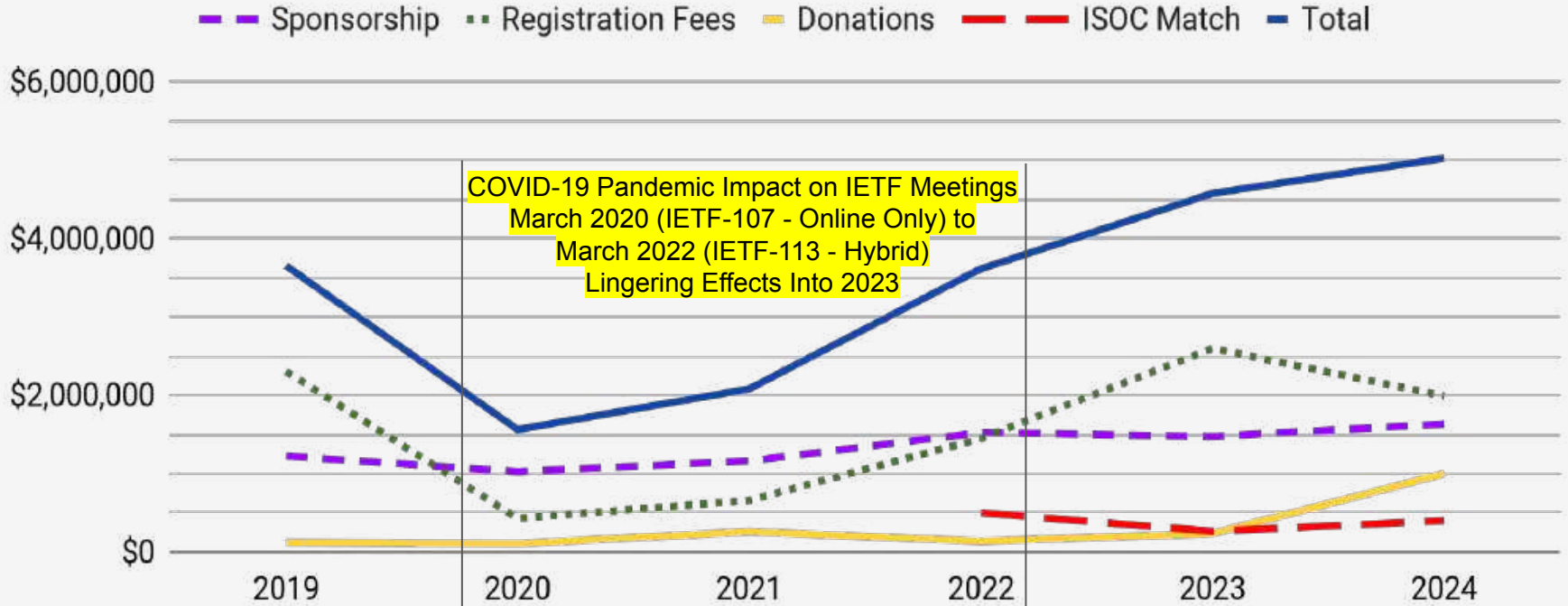
IETF LLC Income

ISOC Financial Support for Annual Operating Expenses



IETF LLC Income

Excluding Investments & Annual ISOC Operating Support



Public Support - *Extremely Simplified Overview*

Legal requirement of US 501(c)(3) under 509(a)(1)

IETF Meeting Registration Fees

Do Matter: if meetings were free, without increased off-setting donations & sponsorships, the public support test would be even worse.



One third (33.3%) of funding is “public support”

One third of the funding is received from donations, *where no single donor gives more than 2%*. So, for each dollar ISOC gets from PIR (.org), either directly or from the ISOC Foundation, it needs 50¢ in donations. This is averaged over 5 years.



Includes IETF donations and sponsorships

The IETF LLC is considered a part of ISOC for tax purposes (a disregarded entity) and so donations to the IETF and a percentage of sponsorship funds, count towards the test.



At least 10% for “fact and circumstances”

If the one third test is missed then it can still be considered a donative charity if it can prove to the US Internal Revenue Service that it is operating as such and it gets at least 10% from donations.

ISOC is at ~17% for 2023

Internet Society: Public Support Test Overview

Public Support Test (provision of the US IRS tax code) is to show that organizations are primarily supported by the public (by other publicly supported organizations, governmental units, and/or the general public)

- Internet Society follows PST rules applicable for 501(c)(3), 509(a)(1) public charities
 - Meeting the PST allows ISOC, IETF, PIR, and the ISOC Foundation to all be 501(c)(3) public charities rather than 501(c)(3) private foundations
 - If ISOC becomes a private foundation, it will still be a 501(c)(3) but will be subject to different rules—it will not be allowed to engage in any legislative lobbying domestically or internationally, and it will have to pay a 1.39% tax on its investment portfolio, among other requirements
 - IETF, PIR, and the ISOC Foundation would also all become private foundations subject to these same rules—IETF, PIR, and the ISOC Foundation currently qualify as public charities and not private foundations only because ISOC is a public charity



Internet Society: Public Support Test Overview

Public charities must receive 33.33 % or more of their total support from donors who give less than 2% of total support, government grants, and grants from certain other public charities OR receive 10% or more of their total support from these same sources and satisfy a set of facts and circumstances

- ISOC has been relying on the 10% facts and circumstances test continuously and successfully since 2007
- Increased funding from PIR has put additional pressure on ISOC to raise public support from other sources because funding from PIR is subject to the 2% cap (as is funding from the ISOC Foundation)
- For tax purposes, the IETF LLC is considered part of ISOC (a disregarded entity), so donations to the IETF and sponsorship funds that are treated as donations for tax purposes count towards the test (subject to the same 2% limit as certain donations directly to ISOC)
- Public Support percentage is calculated using rolling 5-year data



Internet Society Public Support Percentage: 2017-2023

- as documented on ISOC's IRS Form 990 (Return of Organization Exempt from Income Tax)

5-year rolling Totals	2014-2018	2015-2019	2016-2020	2017-2021	2018-2022	2019-2023*
Total Contributions	203,372,221	207,642,593	225,437,142	230,501,053	235,304,701	221,804,659
Total Support	209,382,933	214,386,190	232,745,730	237,207,835	241,585,299	228,484,803
2% of Total Support	4,187,659	4,287,724	4,654,915	4,744,157	4,831,706	4,569,696
Total Excess Contributions	(162,527,397)	(174,472,478)	(192,655,897)	(198,120,153)	(203,691,725)	(189,574,646)
Total Public Support (net of excess)	40,844,824	33,170,115	32,781,245	32,380,900	31,612,976	32,230,012
Public Support Percentage	19.12%	15.47%	14.08%	13.65%	13.09%	14.11%

- As noted on the prior slide, ISOC has been successfully relying on the 10% facts and circumstances test since 2007
- Extraordinary PIR contribution in 2018 has reduced the proportion of public support from other sources, increasing ISOC's need to engage in additional fundraising to offset the increased funding from PIR to continue meeting the 10% requirement
- 2019-2023 rolling totals include preliminary results for 2023



IETF LLC Relationship to ISOC

Ownership and tax are two different aspects

Ownership vs. Tax Status

The IETF LLC is a single member LLC and ISOC is that single member. ISOC therefore effectively 'owns' the IETF LLC.

Within this ownership model, different tax statuses are possible.

The IETF LLC is a "Disregarded Entity", which means it is considered part of ISOC for tax purposes.

The alternative is a "Corporation" where the IETF LLC is separately registered for tax.

"Disregarded Entity" means

The IETF LLC does not have a separate charitable [501(c)(3)] registration, it uses that of ISOC.

All donations to the IETF LLC are for TAX PURPOSES considered donations to ISOC. The same applies to a percentage of sponsorships. **These all affect ISOC's public support test.**

Exploratory Q: Tax Independence for the IETF?

This is separate from legal independence

Current IETF situation is challenging

Our aim is to build an Endowment of \$100m+ and live off the income, but this has problems:

- ISOC is constrained in how much it can spend on the IETF - this has meant a change in the Endowment match funding from 2:1 to 1:1 - so getting to the target is much more difficult
- Any large donation must be given over multiple years in order not to adversely affect the ISOC public support test
- Donor confusion on how donations to the IETF given ISOC's revenue stream from PIR (i.e., why does IETF need money from anyone other than ISOC)

Tax independence is difficult

What does tax independence mean?

- IETF LLC changes its tax status
- IETF LLC applies for own 501(c)(3)
- But... need to understand any impact on the ISOC public support test & many other complications. It may be a change with no benefit or net negative.

Another Approach

Develop Major New Funding Streams

To make meaningful progress in our current corporate & tax structure, we would need to develop major new funding streams.

Developing a sector-specific approach that is tailored & targeted

Next slide is an example and first initiative

Fundraising Targeting Specific Industry Segments

Example: Domain Name Industry

- ICANN, gTLDs, registries, registrars are the target segments
- The board of each of organization has a fiduciary duty to ensure the continued stability, use, and growth of the DNS
- In addition, each successful organization has a responsibility to invest back into the organization that created, maintains, and is extending the standards on which their business *solely* depends (shift from 'moocher' to 'boosters')
- The IETF created the DNS standards, is maintaining and updating those standards, and is creating new DNS resource record types & other new uses of the DNS. This maintains AND grows the internet's use of and dependence on the DNS, while maintaining its security and stability.
- Without the IETF, the domain name industry would not exist and/or their future would be at significant risk
- The domain name industry generates billions of dollars annually
- The IETF's financial need is quite modest in comparison to all of this
- IETF is asking for these targets to make *multi-year commitments* - organization size can drive whether \$50,000/yr or \$5M/yr., etc. is an appropriate level

Next Steps

Pursue a sector-specific fundraising approach to the domain name industry

Explore & document all of the financial issues related to a potential change in tax status for the IETF

Report back to the IETF community by IETF 120 in July

Thank You



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