      Proposed Structure of the IETF Administrative Organization
                    draft-dt-iasa20-proposal-00

Abstract

   The IETF Administrative Support Activity (IASA) was originally
   established in 2005. In the intervening years, the needs of the IETF
   have evolved in ways that require changes to its administrative
   structure. The IETF Chair started an effort in November of 2016 to
   begin the process of changing the IETF administrative structure,
   starting with a set of virtual workshops to get input from the IETF
   community, and then encompassing a series of BOF sessions at IETF
   meetings to define the problem, develop requirements, explore
   potential options for changes, and a Design Team - the authors of
   this document - that would make recommendations. The purpose of this
   document is to collect all of the various materials that have lead up
   to the Design Team recommendation that IETF be a Disregarded Limited
   Liability Company (LLC) of the Internet Society.

Status of This Memo

   This Internet-Draft will expire on October 7, 2018.

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1. Introduction

   The arrangements relating to administrative support for the IETF
   (referred to as the "IETF Administrative Support Activity" (IASA)
   ([RFC4071]) were created more than ten years ago, when the IETF
   initially took charge of its own administration. The arrangements
   have served the IETF reasonably well, but there's been considerable
   change in the necessary tasks, in the world around us, and our own
   expectations since the creation of the IASA.

   The system has experienced various challenges and frustrations along
   the way. IETF participants have experienced some questions over
   administrative choices made for the organization (e.g., meeting venue
   selections, hotel availability and costs), and then voiced concerns
   about the seeming lack of transparency and responsiveness from the
   components of IASA, or even clarity about who is responsible for the
   decisions, or who to follow up with to address stated concerns.

   The IETF community has discussed and continues to discuss these
   topics, most recently on the "IASA 2.0" mailing list and BOFs at
   IETFs 98, 99, 100, and 101. The IETF Chair convened a small design
   team (the authors of this document) in 2017 to start evaluating
   potential options. The purpose of the design team is to provide
   material that informs the community discussion, both in terms of
   providing a bit more worked through solution ideas, as well as
   supporting analysis of the implications of those options.

   To be clear, the community is in charge of adopting any
   recommendations or making any decisions. This draft, the output of
   the design team's considerations, merely collects the activities
   around IASA 2.0 and the Design Team's work into one place. It should
   also be noted that IETF administrative matters have been organized
   jointly with ISOC, and it is important that ISOC continue to be
   involved in IETF's reorganization.

   It should of course be acknowledged that there is no perfect, or even
   great solution. Changing the IETF organizational structure will not
   fix every problem and may bring new problems of its own. But it
   seems that the current structure is brittle and the issues around
   lack of staff and authority, clarity, and responsibility are
   sufficiently serious to explore different options.

   This document defines a problem statement and a set of goals for the
   IASA 2.0 effort in terms of an abstract administrative structure,
   called IETFAdminOrg (or IAO). Then, it discusses four possible legal
   structures of IAO and describes specifically how the LLC model (what

this document refers to as Option 3) addresses the goals. In no case
does IAO have anything to do with defining, changing, or operating
the IETF's standards process and structure (participants (not
members), WGs, IESG and so on), which remain as they stand today.

As a base for this document, there was a good articulation of the set
of problems we are facing after an initial set of virtual workshops
in early 2017 in [I-D.hall-iasa20-workshops-report] and a number of
drafts describing problems from specific perspectives:
[I-D.daigle-iasa-retrospective], [I-D.arkko-ietf-iasa-thoughts],
[I-D.arkko-ietf-finance-thoughts]. The Design Team specified the
types of organizational models and recommendations in
[I-D.haberman-iasa20dt-recs] for IETF 100, and proposed elements of a
specific structure in [I-D.hall-iasa2-struct] for discussion at IETF
101. Some of the content from these documents has been incorporated
into this document.

The next two sections (Section 2 and Section 3) describe the
background and summarize the challenges noted in the community
discussion. The two sections after that (Section 4 and Section 5)
describe the goals and discuss the primary legal options for changes.
The following two sections (Section 6 and Section 7) discuss,
respectively, the Design Team's rationale for recommending the LLC
option (Option 3) and issues that will need to be carefully
considered by a Working Group established to further specify the new
organizational structure.

2. Background

2.1. Terminology

The following acronyms are used in this document:

o IASA - IETF Administrative Support Activity - An organized
   activity that provides administrative support for the IETF, the
   IAB, and the IESG.

o IAOC - IETF Administrative Oversight Committee in the current IASA
   system - A largely IETF-selected committee that oversees and
   directs IASA. Accountable to the IETF community.

o IAOC committees - Recognizing the need for specialized attention
   for different branches of work requiring IAOC oversight, the IAOC
   expanded its support by creating committees. Currently, the
   committees do the heavy lifting on specific tasks, while the IAOC
   is the one responsible for final decisions.

o IAO - An abbreviation referring to the new IETF administrative
   organization (called "IETFAdminOrg" in past documents).

o ISOC - The Internet Society - The organizational home of the IETF,
   and one that in the current IASA system assists the IETF with
   legal, administrative, and funding tasks.

o IAD - IETF Administrative Director - In the current system, the
   sole staff member responsible for carrying out the work of the
   IASA. An ISOC employee.

o IETF Trust - In the current system, the IETF Trust acquires,
   maintains, and licenses intellectual and other property used in
   connection with the administration of the IETF. Same composition
   as IAOC.

2.2. Current IASA Arrangements

The administrative support structure is intended to be responsive to
the administrative needs of the IETF technical community.

RFC 4071 [RFC4071] defines the current IETF Administrative Support
Activity (IASA). It is an activity housed within the Internet
Society (ISOC), as is the rest of the IETF. RFC 4071 defines the
roles and responsibilities of the IETF Administrative Oversight
Committee (IAOC), the IETF Administrative Director (IAD), and ISOC in
the fiscal and administrative support of the IETF standards process.
It also defines the membership and selection rules for the IAOC.

As RFC 4071 notes, IASA is distinct from IETF-related technical
functions, such as the RFC Editor, the IANA, and the IETF standards
process itself. The IASA has no influence on the technical decisions
of the IETF or on the technical contents of IETF work.

Today, IASA's activities support a number of functions within the
IETF system:

o Meeting planning

o Budget and financial management

o Contracting with and overseeing the secretariat

o Contracting with and overseeing the RFC Editor (together with the
   IAB)

o Contracting with and overseeing IANA (together with the IAB)

   o Legal ownership of IETF materials, domain names and copyright

   o Ownership of IANA-related domain names and copyright

   o General legal support (including topics beyond domains and IPR)

   o The IETF website

   o IETF IT services

   o Tooling support, maintenance, and development (together with
      volunteers)

   o Meeting network support

   o Remote attendance support

   o Communications assistance for the IETF

   o Sponsorship and funding (together with ISOC)

3. Problem Statement

   The purpose of this part of the document is to describe a few problem
   areas with enough detail to allow the comparison of potential IASA
   structure updates (among themselves, as well as comparison to the
   status quo) that must be addressed by IAO. This is intentionally
   illustrative, rather than an exhaustive enumeration of all possible
   and perceived issues with the current structure and implementation.
   Nevertheless, the examples are concrete and real. (For a fuller
   description of the perceived issues with the current IASA
   arrangements, see [I-D.daigle-iasa-retrospective],
   [I-D.hall-iasa20-workshops-report], [I-D.arkko-ietf-iasa-thoughts],
   [I-D.arkko-ietf-finance-thoughts], and ongoing discussion on the
   iasa20@ietf.org mailing list.)

   In general, the range of IETF administrative tasks have grown
   considerably, our organizational structure is not as clear,
   efficient, or as fully resourced as it should be, the division of
   responsibilities between the IETF and ISOC continues to evolve,
   expectations on transparency have changed, and we face continued
   challenges related to funding IETF activities on a background of
   increasing costs and lack of predictability in our funding streams.

3.1. Lack of Clarity

   In general, as the IETF has grown and aged, an increasing lack of
   clarity exists in a number of specific areas. We discuss four areas
   where this lack of clarity is specifically acute: responsibility,
   representation, authority, and oversight.

3.1.1. Responsibility

   The line between the IETF and ISOC is not organizationally clear-cut,
   which has led to issues around transparency, allocation of staff time
   and priorities, budgeting, and clarity of who is responsible for
   what.

   Often, it can be unclear what part of the IETF or ISOC is responsible
   for a particular function. Things as simple as ensuring there is a
   lanyard sponsor/coordinator, but also functions as important as
   fundraising and sponsorship development have suffered from a lack of
   clear responsibility.

   IAO must have lines of responsibility that are clear enough for non-
   IETFers to understand where responsibilities lie, and how to make
   changes as necessary over time.

3.1.2. Representation

   The respective roles of ISOC, the IETF chair, the IAOC, and the
   secretariat in representing the IETF to sponsors and donors and
   communicating with them are not clear.

   Having ISOC represent the IETF to sponsors and donors:

   o creates confusion about why the IETF does not represent itself,

   o yields questions about why ISOC does not instead increase its IETF
      support and how donations can be guaranteed to be dedicated to the
      IETF,

   o can result in those soliciting sponsorships and donations having a
      lack of familiarity with IETF work, and

   o creates a lack of an integrated and understandable representation
      of the IETF. People not familiar with the IETF (e.g., potential
      sponsors) must be able to recognize when or how an entity speaks
      for the IETF.

3.1.3. Authority

Another significant problem concerns authority, and to what extent
can IETF make decisions on its own in the current structure compared
to decisions that require ISOC approval and agreement.

For example, due to IETF's lack of legal status, contractual
agreements must be signed by ISOC on behalf of the IETF. There are
occasions when a decision that is right for the IETF and desired by
IETF leadership cannot be executed due to constraints posed by what
ISOC can and cannot agree to itself. For example, when IETF sought
to acquire a recent piece of software for business purposes, ISOC
would initially not agree to entering into an agreement with the
software provider. Ideally, IETF could make decisions free from
operational and other constraints imposed by its relationship with
ISOC.

IAO must have enough and appropriate authority to carry out the
IETF's administrative requirements and activities in a timely
fashion, and as the IETF desires (within reason of normal business
and legal requirements).

3.1.4. Oversight

The IAOC is the primary oversight body in the current IASA model, but
there can be confusion or mismatches in roles. For example, to the
extent that ISOC staff besides the IAD become engaged in
administrative work for the IETF, to whom do they report? The IAOC,
the IAD, or their management at ISOC? Ultimately, any employee will
recognize their primary responsibility to their employer (i.e,. ISOC,
and specifically to their ISOC management chain). Even in a well-
balanced relationship between the IETF and ISOC, this leads to
conflicting priorities and availability, with the ISOC staff person
having to continuously explain and validate IETF priorities within
the ISOC reporting chain.

Furthermore, when we're in a position where we need more staff
support, it's not obvious what the most appropriate path is to obtain
that support and how the IAOC's oversight fits into the kind of
performance review and career planning that ISOC staff would expect.
We have used a variety of models for acquiring staff support from
ISOC in the past, ranging from the IAD informally soliciting help
from others at ISOC, to the IAOC establishing more formal staff
relationships with ISOC personnel, to ISOC taking responsibility for
finding staff with an internal-to-ISOC reporting chain. The role of
the IAOC with respect to such staff is not defined, nor is the
mechanism for reflecting the work that they do for the IETF back to
their ISOC management.

IAO's oversight and management functions must be complete and
coherent. For example, it might either take on full oversight
responsibility for staff employment functions (including reporting
structures for management reporting and career development), or the
oversight role must be limited to review input submitted to the
external sources responsible for employment, leaving the question of
competing priorities unsolved.

3.2. Lack of Resources

IETF faces growing constraints on resources essential for IETF to
function, notably in volunteers and staff.

3.2.1. Volunteers

The IAD is the sole full-time employee for IETF, and the IASA
arrangement encompasses a series of volunteer committees that help to
work through issues such as finance, legal, meetings, technology
management, requests for proposals, and sponsorship. These
responsibilities are expanding in both time requirements, and scope.
In some cases, the IETF is verging on requiring volunteers to take on
actual work items -- which is beyond the scope of what is reasonable
to ask of a volunteer. As a result, it is becoming close to
impossible to find qualified volunteers who are willing to stand for
open slots on the IAOC. In general, on both the IAOC and the
committees, the time that committee members have to devote to the
tasks at hand falls far short of what is required to do much of
anything beyond keeping the organization afloat. At a time when the
IETF is faced with administrative and financial challenges, barely
having enough volunteers and volunteer time to keep the current
operation running is not a sustainable model.

IAO must rely less on volunteers or be better assured of engagement
of willing and capable volunteers.

3.2.2. Staff

IETF faces serious constraints on staff capacity under the current
IASA model. The one IAD role and support from contractors have been
used to assure that capacity needed is for the most part in place.
However, it seems clear that the IAD role is overly complex and
taxing for a single human at this point, necessitating measures such
as providing an administrator for the IAOC to better run that body
and their meetings. IAO will require more paid employment support
dedicated to IETF work.

3.3. Lack of Transparency

   The IAOC has sometimes been perceived to operate less transparently
   than what is the norm for IETF processes and other IETF leadership
   bodies. This can be observed, for example, in the failure to
   publicly share agreed information in a timely fashion. The reasons
   behind this vary but can sometimes be caused by lack of resources to
   review and prepare material for community review, or even fear of
   community reaction to potential administrative decisions.

   Work to increase transparency has made progress, but we must continue
   to address and improve this. At the same time, a balance must be
   struck to reach the right level of transparency, so that certain
   aspects of contracts, business terms, and negotiations can remain
   confidential, according to legal and business practice norms. It
   will be important for the community and any future IASA function to
   better define this in order to better meet well-defined, balanced
   community expectations on transparency and information sharing. IAO
   will be required to operated in a transparent fashion per community
   expectations set as part of this IASA 2.0 process.

3.4. Funding/Operating Model Mismatch and Rising Costs

   The IETF is facing a changing financial landscape, and is ill-
   equipped to set itself up for the future.

   Meeting fees are currently an important source of revenue, but the
   emergence of more viable remote participation tools and other factors
   are likely responsible for declining in-person meeting attendance
   going forward.

   While there has been a lot of sponsor support for, e.g., meeting
   hosting, getting support for the full costs of operating the IETF is
   not easy. The costs are quite large, the value to sponsors is not
   always obvious, the IETF community is sometimes critical or
   unappreciative, and the same sponsors get tapped again and again for
   many related but different opportunities.

   In addition, relying heavily on meeting-based revenue is somewhat at
   odds with the fact that much of the IETF's work takes place outside
   of in-person meetings.

   Further exacerbating the situation, the IETF is increasingly relying
   on professional services to support its activities - in order to more
   efficiently operate the IETF's activities and better enable IETF
   participants to contribute to the IETF's core technical work rather
   than administrative and supporting activities work - which is also
   causing expenses to grow.

   IAO must have appropriate expertise/resource to identify better
   funding models for the future for the IETF to deal with its evolving
   realities, as well as the authority and tools to implement them.

4. Goals

   The IASA redesign effort needs to address the main issues listed
   above in {problem-statement}. More specifically, the future
   organizational structure needs to do at least the following:

   o Protect the IETF's Culture and Technical Work: Ensure that the
      future IASA organizational structure and processes preserve and
      protect the IETF's unique culture of individual contribution,
      clear separation of financial support from technical work, as well
      as the "rough consensus and running code" approach to the
      development of open Internet standards.

   o Improve the IETF's Technical Environment: Undertake changes to
      better enable technical contributors to focus more on that
      technical work and less on administrative work or support
      activities. This could for example mean directing more financial
      resources towards the creation of new or improvement of existing
      tools, which might be produced by contractors rather than solely
      by volunteers. As a result, volunteers could instead focus on
      developing the standards themselves. Thus, if the core competency
      of IETF attendees and their reason for participating in the IETF
      is to develop standards, then create an environment where they can
      focus exclusively on that activity and delegate to contractors,
      staff, or other resources the responsibility for creating and
      maintaining tools and processes to support this activity.

   o Clearly Define the IETF-ISOC Relationship: Define the roles of
      IETF and ISOC in a way that helps the above structure be as clear
      as possible, in terms of who does what, how are things accounted
      for, and who is in charge of adjustments and control (e.g., staff
      resources). This also includes consideration of a new funding
      model that takes into account the historical responsibility for
      the IETF that ISOC has had since its inception.

   o Support a Re-Envisioned Funding Model: Provide the staff support
      and resources needed to adapt the funding model of the IETF to
      changes in the industry, participation, and expenses. The
      structure should also allow for and be able to support new funding
      streams or changes to the proportion of funds from various
      sources.

   o Provide Clarity About the IETF-ISOC Financial Arrangements: A
      redesign needs to clear up ambiguities in the financial

arrangements between IETF and ISOC. It must also be clear to
people outside the IETF and ISOC organizations (e.g., sponsors)
what the arrangements are and what their contributions affect and
do not affect.

o Clarify Overall Roles and Responsibilities: Ensure that all staff,
   contractor, and volunteer roles are clearly documented. This
   necessarily includes documenting how each of these parties may
   interact or interface with one another in order to conduct and
   support the business of the IETF. This also includes documenting
   key work processes, decision-making processes and authority (such
   as pertaining to meeting venue selection), etc. A key objective
   is to minimize ambiguity and uncertainty so that it is clear who
   is responsible for what and who has the power to make certain
   decisions.

   There also needs to be a clear definition of what issues belong to
   the IESG or IETF Chair vs. the IASA organization or staff. In
   many cases that is not clear today, and the IETF Chair role
   includes a lot of administrative leadership responsibility beyond
   a rational scope for the position.

o Define Support Staff Roles and Responsibilities: Clearly define
   the roles of the oversight entities and staff/contractors to match
   the expanded work scope facing the IETF. Ensure that any changes
   create a structure that can adapt flexibly to future growth and
   other changes (including changes in IETF community expectations,
   such as increased transparency or more rapid decision-making).

o Re-Define the Role of the IETF Community in Relation to
   Administrative Activities: As the roles and responsibilities for
   support staff and volunteer roles are clarified more precisely,
   the role of the IETF community in relation to those staff and
   volunteer roles must be better defined. This should acknowledge
   the limited time and availability of IETF volunteers, better
   defining expectations around oversight of and involvement in
   strategic, operational, and execution tasks within the
   administrative efforts.

   The new design needs to ensure that volunteers are not overloaded
   in such things as low level operational decisions, which are
   properly the responsibility of staff, and volunteers can instead
   focus on strategic changes, critical decisions, and so on. In
   particular, this should focus on clearly documenting the lines
   between responsibility, representation, authority, and oversight.

o Define Improved Transparency Requirements: The general level of
   operational transparency and information-sharing between IETF

administrative staff and groups to the IETF community must be kept
at an acceptable level, and improved where it makes sense in the
future. This includes ensuring the timeliness of sharing of
information and decisions, as well as seeking comment on
prospective decisions. At the same time, we need to reset
expectations around responsibility and authority so that once
staff or an administrative support organization has been delegated
certain authority by the definition of the new structure, it is
clear that they are empowered to proceed in a particular area .
This will improve organizational efficiency, reduce friction, and
improve the pace of work and decision-making. However, it is
clear that enabling a group or staff to act within their
proscribed authority depends upon a clearer definition of roles
and responsibilities, on improved transparency, on improved
communications, and on trust (which is built upon all of those
things over time).

o Define a Transition Plan: Determine what new IASA structure we
   need and define a transition plan from the model the IETF has
   today to the new structure.

5. Legal Options for IETF Organizational Change

After IETF 100 in November of 2017, the IETF community clearly wanted
more input on the various legal options available for IETF
restructuring as well as the trade-offs among the various options.
The Design Team working with the IETF Chair asked the Internet
Society's tax law attorneys to outline a series of options based on
the requirements developed in this process. The result is a
memorandum [ML-memo] that outlines the various options and their
trade-offs. In this section, we summarize those options. We also
include a tabular summary for each option of the legal analysis from
Morgan Lewis.

5.1. Option 1 - Independent 501(c)(3)

On one end of the spectrum is complete independence from ISOC. The
natural choice for this would be for IETF to incorporate as an
independent organization, incorporating as a non-profit in a
particular state and then applying at the federal level to the IRS
for tax exemption to achieve 501(c)(3) status. In this case, all
functions of IAO would be legally independent of ISOC, including
board appointments, hiring and firing, etc. IAO would face increased
one-time and ongoing administrative complexities, including
maintenance of tax-exempt status, separate audits, financial
statements, and tax filing. ISOC could continue to provide funding
to the IAO and ISOC could set the terms of funding through a grant
agreement or contract.

```
         +----------------------------------------------+-----+
         | Governance: 501(c)(3)                        |     |
         +----------------------------------------------+-----+
         | Is ISOC involved in appointing IAO Board?    | No  |
         |                                              |     |
         | Can IAO Board hire and fire the IAO ED?      | Yes |
         |                                              |     |
         | ISOC liable for IAO debts and obligations?   | No  |
         +----------------------------------------------+-----+


       +------------------------------------------------+-----+
       | Finance and Fundraising: 501(c)(3)             |     |
       +------------------------------------------------+-----+
       | Can IAO have separate bank account from ISOC?  | Yes |
       |                                                |     |
       | Can donors write checks to IAO?                | Yes |
       |                                                |     |
       | IAO needs to maintain its own non-profit status? | Yes |
       +------------------------------------------------+-----+


     +--------------------------------------------------+-----+
     | Administration/Staffing: 501(c)(3)               |     |
     +--------------------------------------------------+-----+
     | Would IAO need to conduct its own audit?         | Yes |
     |                                                  |     |
     | Would IAO need to file its own tax return?       | Yes |
     |                                                  |     |
     | IAO ED can hire/fire, contract without ISOC approval? | Yes |
     +--------------------------------------------------+-----+
```

[5.2](). Option 2 - Type 1 Supporting Organization

IAO could be set up as a Type 1 Supporting Organization of ISOC. In
this model, IAO would be set up a 501(c)(3) organization but then
list ISOC as the named supported organization, essentially specifying
that it's a separate entity but one that works to support ISOC's
mission. In this model ISOC would have to be the sole controlling
parent entity, with ISOC retaining formal control of the IAO Board.
This would require incorporation as a non-profit, filing for federal
and state tax exemption, filing separate taxes, but audits and
financial statements would be consolidated with those of ISOC.

```
+------------------------------------------------+--------+
| Governance: Type 1 Supporting Org.             |        |
+------------------------------------------------+--------+
| Is ISOC involved in appointing IAO Board?   | Yes(1) |
|                                             |        |
| Can IAO Board hire and fire the IAO ED?     | Yes    |
|                                             |        |
| ISOC liable for IAO debts and obligations?  | No     |
+------------------------------------------------+--------+
```

```
+------------------------------------------------------+-----+
| Finance and Fundraising: Type 1 Supporting Org.      |     |
+------------------------------------------------------+-----+
| Can IAO have separate bank account from ISOC?      | Yes |
|                                                    |     |
| Can donors write checks to IAO?                    | Yes |
|                                                    |     |
| IAO needs to maintain its own non-profit status?  | Yes |
+------------------------------------------------------+-----+
```

```
+----------------------------------------------------------+-----+
| Administration/Staffing: Type 1 Supporting Org.          |     |
+----------------------------------------------------------+-----+
| Would IAO need to conduct its own audit?               | Yes |
|                                                        |     |
| Would IAO need to file its own tax return?             | Yes |
|                                                        |     |
| IAO ED can hire/fire, contract without ISOC approval?  | Yes |
+----------------------------------------------------------+-----+
```

(1) ISOC would be required to appoint majority of the IAO Board,
perhaps upon IETF recommendations.

5.3. Option 3 - Disregarded LLC

IAO could form a Limited Liability Company (LLC) that is a
disregarded entity of ISOC, essentially treating it as a branch or
division of ISOC for most tax purposes. The term "disregarded" here
means that the LLC is disregarded by ISOC for some purposes; that is,
while ISOC's non-profit status and tax exemption applies downward to
the LLC, legal liability and financial impacts do not apply upwards
from the LLC to ISOC. In contrast to the previous option, ISOC in
this case could delegate the appointment of the IAO Board to a
nominating committee within the IAO. This option would not require
tax exemption filing, filing separate taxes, or separate audits or
financial statements.

```
+-----------------------------------------------+-------+
| Governance: Disregarded LLC              + |   |       |
+-----------------------------------------------+-------+
| Is ISOC involved in appointing IAO Board?  | No(2) |
|                                            |       |
| Can IAO Board hire and fire the IAO ED?    | Yes   |
|                                            |       |
| ISOC liable for IAO debts and obligations? | No    |
+-----------------------------------------------+-------+
```

```
+------------------------------------------------+-----+
| Finance and Fundraising: Disregarded LLC       |     |
+------------------------------------------------+-----+
| Can IAO have separate bank account from ISOC?  | Yes |
|                                                |     |
| Can donors write checks to IAO?                | Yes |
|                                                |     |
| IAO needs to maintain its own non-profit status? | No  |
+------------------------------------------------+-----+
```

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+----------------------------------------------------+-----+
| Administration/Staffing: Disregarded LLC           |     |
+----------------------------------------------------+-----+
| Would IAO need to conduct its own audit?           | No  |
|                                                    |     |
| Would IAO need to file its own tax return?         | No  |
|                                                    |     |
| IAO ED can hire/fire, contract without ISOC approval? | Yes |
+----------------------------------------------------+-----+
```

(2) ISOC can delegate responsibility for appointing all IAO Board
members to IETF bodies, but must retain ultimate control of the LLC.

5.4. Option 4 - Activity of Internet Society

IASA is currently an activity of ISOC, so this option was included in
the analysis to give a baseline for comparison of the other options.

```
+---------------------------------------------+---------------+
| Governance: Activity of ISOC                |               |
+---------------------------------------------+---------------+
| Is ISOC involved in appointing IAO Board?   | Yes, as today |
|                                             |               |
| Can IAO Board hire and fire the IAO ED?     | No            |
|                                             |               |
| ISOC liable for IAO debts and obligations?  | Yes           |
+---------------------------------------------+---------------+
```

```
+-------------------------------------------------------+-----+
| Finance and Fundraising: Activity of ISOC             |     |
+-------------------------------------------------------+-----+
| Can IAO have separate bank account from ISOC?         | Yes |
|                                                       |     |
| Can donors write checks to IAO?                       | No  |
|                                                       |     |
| IAO needs to maintain its own non-profit status?      | No  |
+-------------------------------------------------------+-----+
```

```
+---------------------------------------------------------+----+
| Administration/Staffing: Activity of ISOC               |    |
+---------------------------------------------------------+----+
| Would IAO need to conduct its own audit?                | No |
|                                                         |    |
| Would IAO need to file its own tax return?              | No |
|                                                         |    |
| IAO ED can hire/fire, contract without ISOC approval?   | No |
+---------------------------------------------------------+----+
```

6. Design Team Recommendation (Option 3)

After discussion and consideration, the design team recommended at
the IASA 2.0 BOF session at IETF 101 that we pursue Option 3, the
disregarded LLC option.

In our view, this option gives increased independence without the
full administrative complexity of the other options. Notably, this
option is easier to set up than the non-profit corporation options
and also has simpler annual reporting requirements; that is, the LLC
option does not require state-level incorporation, does not require
filing for state and federal tax exempt status, and it allows IETF to
continue to benefit from ISOC's tax exempt status and financial
reporting and auditing. IAO will be a legal entity that can have and
control its own bank accounts and sign contracts without involving
ISOC. Crucially, this option allows the operating agreement to
delegate the task of appointing a board to a committee (likely the
IAB) of IETF.

7. Important Remaining Issues

7.1. Transparency

The issue of increased transparency was important throughout the IASA
2.0 process, with little to no dissent. It was recognized that there
will naturally be a confidentiality requirement about hotel
contracting, personnel matters, and other narrow areas. At IETF 101

in the IASA 2.0 BOF, the design team proposed the following default
transparency rule:

> Whatever doesn't have a specific justification for being kept
> confidential, should be made public. There must exist a public
> list of confidential items, describing the nature of the
> information and the reason for confidentiality.

7.2. IAO Board

The composition of the IAO Board requires careful thought and
deliberation. An earlier draft from the design team discussed a
small 5-member board, and list discussion saw proposals that included
7 and 9 members, with some mix of the IETF Chair, IETF-appointed ISOC
Board members, NOMCOM-appointed members. Discussion of composition,
term lengths, types of experience needed, liaisons, officers, are all
details the design team will leave in the hands of a chartered IETF
working group in the near future.

7.3. Input from the IETF Community

The current IAOC also involves a structure of 7 substantive
committees (Finance, Legal, Meetings, Technology, RFPs, Sponsorship,
and Venue Review) where IETF community volunteers can contribute to
the administrative work of the IETF. Under a new structure, much of
this activity will be performed by paid IAO staff, potentially
limiting the nature and quantity of feedback that the IAO gets from
the IETF community. One option discussed heavily and mostly rejected
was the potential notion of an Advisory Council, that could be a
venue for directly marshaling community feedback into the IAO
structure.

It is unclear what kind of feedback mechanism - other than email sent
in response to an ietf@ietf.org mailing list post - would be
important to ensure that IAO has a good, ongoing sense of the
community, so we leave this to future deliberation.

7.4. Non-US incorporation

Finally, the community rightly challenged the design team in terms of
exploring organizational options in non-US venues, e.g., non-profit
incorporation in Europe or Asia. However, given that ISOC even under
a complete independence model will still need to be heavily involved
in the business of IAO, there were no clear options that seemed
strictly better given the problem statement and goals outlined above.

8. Acknowledgments

   Thanks to Richard Barnes, Alissa Cooper, John Levine, and Sean Turner
   for discussions of possible structures, and to the attorneys of
   Morgan Lewis for their advice on possible legal impacts.

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