

DNS-OARC Status, Development & Financials

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President
OARC
Fall Workshop & AGM
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DNS-OARC

Domain Name System Operations Analysis and Research Center

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Current Status



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Domain Name System Operations Analysis and Research Center

OARC's Mission Statement

"The Domain Name System Operations Analysis and Research Center (DNS-OARC) is a non-profit, membership organization that seeks to improve the security, stability, and understanding of the Internet's DNS infrastructure.

DNS-OARC's mission is: to build relationships among its community of members and facilitate an environment where information can be shared confidentially; to enable knowledge transfer by organizing workshops; to promote research with operational relevance through data collection and analysis; to increase awareness of the DNS's significance; and to offer useful, publicly available tools and services."



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OARC's Functions

- Facilitate co-ordination of DNS operations community
- Ongoing data gathering
- Operate community info-sharing resources
 - Mailing lists, jabber, website, trust vetting
- Maintain/host DNS software tools
- Outreach via external and shared meetings



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OARC Governance

- Independent legal entity
- Diverse member base
 - direct participation agreements
- Financially self-supporting
 - no cross-subsidies
 - own bank accounts
 - >\$350k annual revenue ~= expenses
- Self-governing, neutral
- Board reflecting member interests
- *501(c)3* non-profit public benefit corporation



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OARC Board

- John Crain, ICANN, RSAC Director
- Ondrej Filip, CZ.NIC, Chairman
- *Peter Koch*, DENIC, Director
- *Matt Pounsett*, Afilias, Treasurer
- Antoin Verschuren, SIDN, Director
- *Suzanne Woolf*, ISC, Secretariat Director



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DNS-OARC Staff Resources

- President, Secretary (Keith Mitchell)
 - increased from 0.6 to 0.75 FTE since Sep
- Systems Engineer (William Sotomayor)
 - started March 2013 @0.8 FTE, now 1.0 FTE since Sep
- Events (Denesh Bhabuta)
- Under contract from ISC:
 - Secretariat Director (Suzanne Woolf)
 - Finance/Admin functions (Pam Stone)
 - Infrastructure services



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2013 Achievements

- Created Strategic Development Plan
- Increased staff from 0.6 to ~2FTE
- Governance Rationalization
- Revenue growth from \$270k to \$470k
- Major infrastructure overhaul
- Significant cash and hardware donations
- Workshop improvements



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OARC Infrastructure Re-Development

- Major progress has been made in past 6 months
- Purge and update of legacy hardware that was running too-old software with not enough TLC
- Have re-built most capability from scratch on modern platforms, 80% migrated
- Have also deployed major hardware donations
 - Thank You NTAG members and ICANN 😊
- See William's presentation....



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2013 Donations

- Verisign
 - \$50k one-off donation
 - Keith/William time, Root-Ops jabber servers
- ICANN
 - 1 x Dell r815, 3 x Dell r820 analysis servers
 - Workshop underwriting
- Donuts, Demand Media
 - 2 x Dell r810 analysis servers
- Farsight
 - 4 x Sun X4500 storage servers
- We have a number of offers of other-site hosted server clouds, under discussion..



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Workshop Sponsorship

- Formalization of previous ad-hoc arrangements
 - Helps us cover costs and recognize supporters
- Sponsor benefits documented at:
 - <https://www.dns-oarc.net/files/meeting-sponsor.pdf>
- Thank you for your 2013 support !
 - APNIC, ARIN, CIRA, ICANN, IEDR, NANOG, NZRS, RIPE NCC
- Looking for future workshop sponsors...
please contact Denesh



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OARC Development Strategy



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OARC Development Progress

- Oct 2013 Board determined to “re-boot” the organisation
- Governance changes to make better use of the available resources:
 - Dec 12/Jan 13 – migrated President & Secretariat roles from Secretariat Director to Executive Director
- Conduct a member survey to get better data on how OARC's Members perceived and used the organization, and its role and future:
 - Jan/Feb 13: https://www.dns-oarc.net/files/workshop-201305/Strategy-2013_report.pdf
- Conduct a Board strategic retreat to review input from the survey and Board members to determine OARC's position and development options
 - Feb 20-21, at SIDN, Arnhem, Netherlands
- Publish document, to report the survey and retreat results back to the members, and define a plan for OARC's future development:
 - May: https://www.dns-oarc.net/files/workshop-201305/Survey-results-2013_03_20.pdf



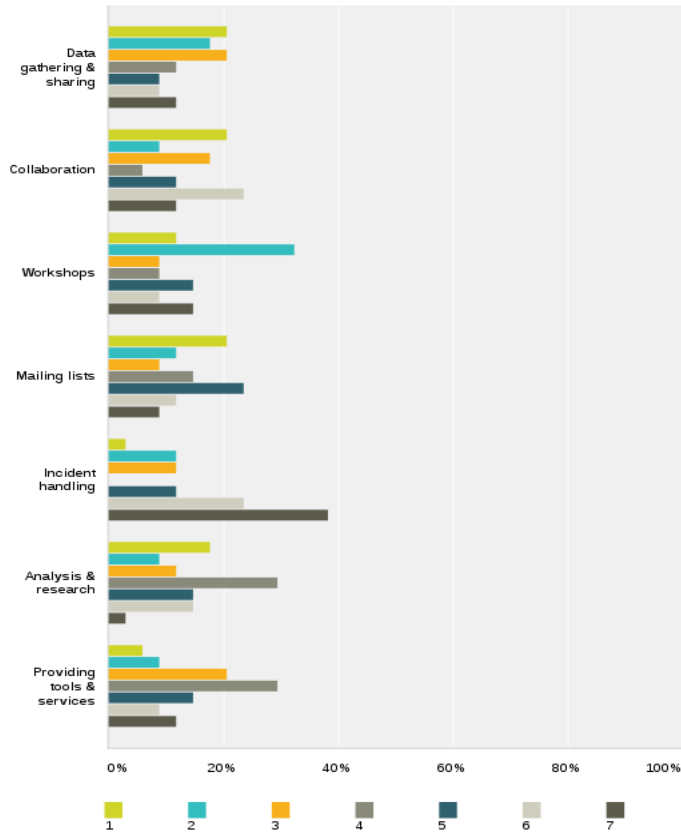
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OARC Functions & Services

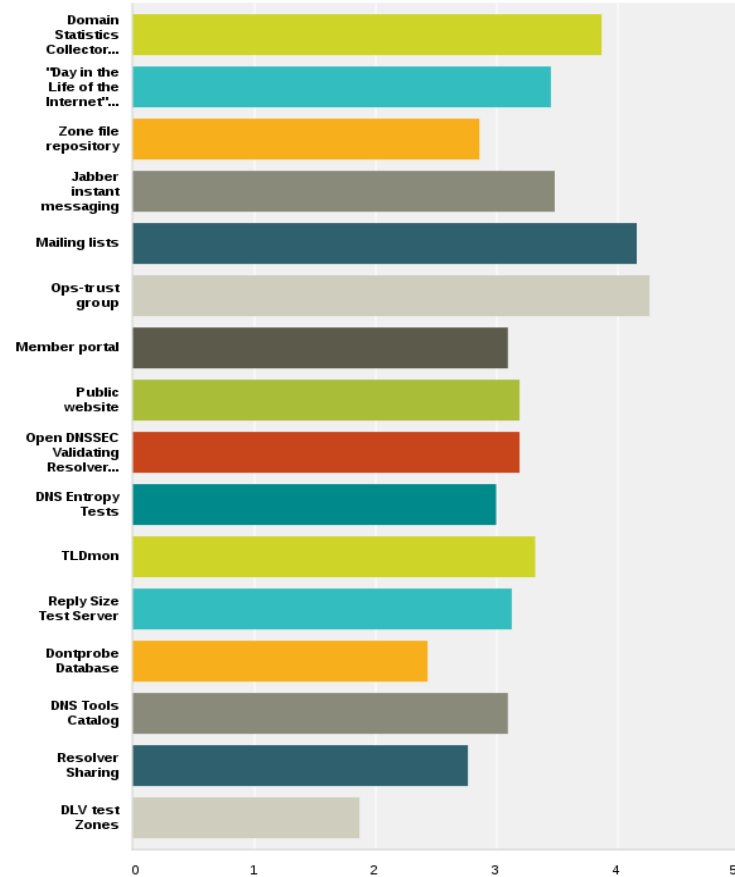
Please rank the following OARC functions in terms of importance to you: (1=most, 7=least)

Answered: 34 Skipped: 11



Please rate the following OARC services in terms of importance to you:

Answered: 31 Skipped: 14



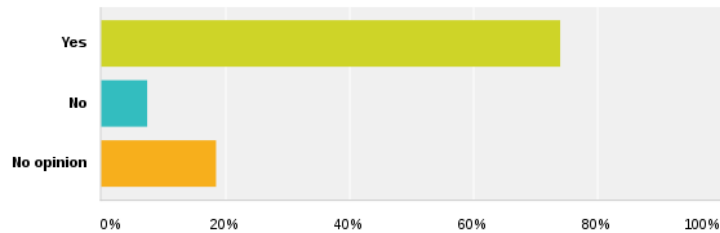
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“Special” Membership Categories

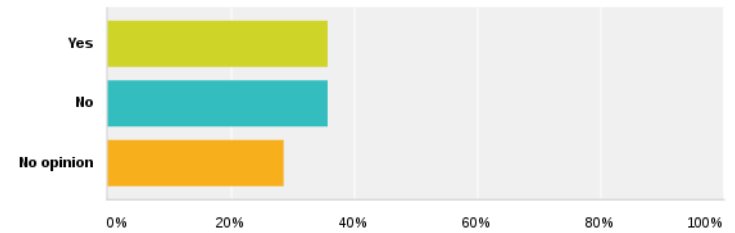
Do you think non-paying "Beneficial" members add value to OARC ?

Answered: 27 Skipped: 18



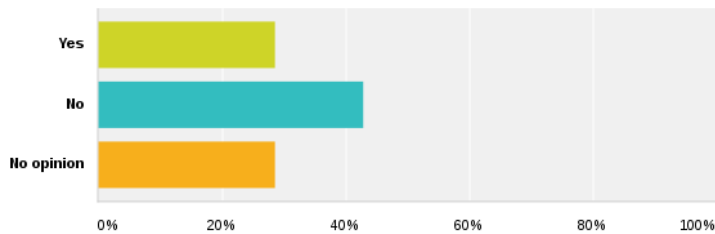
Do you think non-paying non-member Participants add value to OARC ?

Answered: 28 Skipped: 17



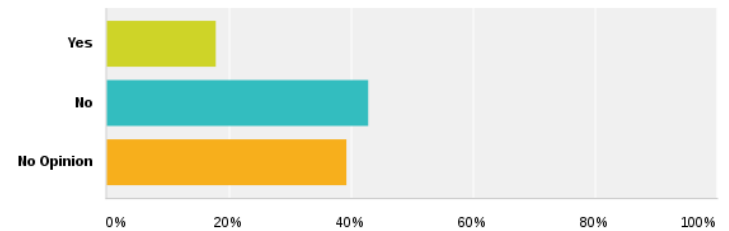
Do you think the Root Operators should have special status within OARC ?

Answered: 28 Skipped: 17



Do you think that the OARC Secretariat Provider should have a Board seat ?

Answered: 28 Skipped: 17



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Board Retreat Objectives

1. A 3-5 year development plan set out in this report, for Member review
2. Some short-term achievables to demonstrate tangible progress
3. Determining sources of OARC funding, income and resource
4. Deciding whether OARC's best future path is one of steady state or growth, and if the latter, how
5. Better defining OARC's role
6. Ensuring Member engagement and outreach
7. Improve the output and visibility of workshops and meetings



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The “Bootstrap” Issue

- ~2.0 FTEs total lets you run an organisation, *or* grow and develop it, but **not** both at same time
- Previous staff have struggled with this, and we remain at risk of further instability while this situation continues
- Ideally we need 4-5 FTEs for sustainable autonomy
- Organic growth (e.g. +10% revenue per year) is not sufficient to escape this
- Good news is large-scale storage hardware CapEx is a lot cheaper than it used to be
- We need to find a new path to sustainability...



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Our “Ideal” OARC: Expenses

- Around \$400k/year running costs:
 - Infrastructure
 - Workshops, travel
 - Admin
 - Overheads
- Around \$600k/year staff costs:
 - Engineering: *2 FTE*
 - Project Management: *1 FTE*
 - Outreach/sales/marketing: *1 FTE*
 - Admin/Finance: *1 FTE*
 - Leadership: *1 FTE*



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Our “Ideal” OARC: Resource Growth

- Increase outreach to grow revenue by +30% for each of 3 years
 - reduce proportion of non-paying members
- Member funding of new projects/services
- Member in-kind donation of staff resources
- Meeting sponsorship
- Use some of >\$100k accumulated reserves



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Our “Ideal” OARC: Funding

Subscriptions	\$650-700k
New Projects/Services	\$200-300k
In-kind donations	\$150k
Sponsorship	\$50k
Reserves (year 1 only)	\$0k-\$100k
TOTAL	\$1.05M-\$1.3M



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Workshops and Meetings

- These should be:
 - Twice a year
 - Of 2 days duration
 - Combined with other Internet meetings (RIPE, IETF preferred; also NANOG, ICANN)
- Aiming for Spring 2014 workshop to be co-located with ICANN49 in Singapore
- Autumn/Fall 2014 in Europe ?



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New Projects and Services

- **Focus** on possibilities which give most benefit to OARC's members and address its sustainability needs
 - seek new funding from members and other grant sources
- Next-Generation Domain Statistics Collector ("DSCng")
 - Re-start and implement development plan at:
 - <https://www.dns-oarc.net/files/dsc-plan-201102.pdf>
- DNS Benchmarking
 - needs lightweight project management framework
- DNSVIZ
 - valued project in need of a home and development
- Progress other projects within existing capabilities



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Development Plan Progress

1. Progressed short-term achievables, including:
 - Deployment of a conference management platform for enhanced workshop support (Done)
 - Adding and refreshing some straightforward changes to website content
2. Implemented the changes to meetings lead-time, location, frequency and duration as per survey results
3. Obtained member consensus on the contents of report as a way forward
4. *Develop a detailed business plan to achieve the "Ideal OARC" resource and revenue targets on a 2-3 year timescale*
5. *Create a framework for development Project management and funding, while using it to kick-start the DNSVIZ, DSCng, Benchmarking projects*
6. *Conduct improved member outreach, while cleaning up the contractual relationships with non-paying members*
7. *Improve relationships with Researcher community, including potentially setting up a Scientific Committee*



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Financial Statements



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DNS-OARC Financials

- Accounts for 2012 have been audited with clean bill of health
- Also status of 2013 to date (Jan-Sep)
 - Some changes during course of year
- AGM seeking formal approval of 2012 audited accounts
- Starting to develop 2014 budget
 - Based on 30% annual target revenue growth from development plan



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Financial Overview

	2012	2013 Q1 Budget	2013 YTD	2013 Forecast	2014 Proposed
Income	\$267k	\$328k	\$297k	\$470k	\$610k
Expenses	\$176k	\$300k	\$199k	\$397k	\$650k
Assets	\$209k				
Cash	\$165k	\$222k	\$310k	\$239k	\$199k



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Income Summary

	2011	2012	2013 YTD	2013 Forecast
Member fees	\$247k	\$191k	\$206k	\$379k
Donations, Grants	\$25k	\$0k	\$53k	\$53k
Workshop Sponsorship		\$0k	\$38k	\$38k
TOTAL	\$272k	\$191k	\$297k	\$470k



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Expenditure Summary

	2011	2012	2013 YTD	2013 Plan
Consultants/ Professional	\$234k	\$123k	\$140k	\$222k
Co-location	\$12k	\$12k	\$9k	\$12k
Other	\$23k	\$41k	\$50k	\$163k
TOTAL	\$269k	\$176k	\$199k	\$397k



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AGM Resolutions and Board Elections



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Governance Changes

1. Splitting the concepts of *Member* and *Participant* into separate agreements
2. Normalizing the "Special" Board seats
 - convert Secretariat and Root-Ops seats to At-large
3. Ensuring greater Board candidate diversity
4. Moving the AGM date from June to Q3/Q4
5. Formally remove voting rights for Beneficial members
6. Rationalize multiple non-paying *Participant* categories into just one
7. Review of annual budget by members during Q1/2 of each year.



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Participation Agreement Changes

- Board has power to amend this, but wanted changes to be transparent to members
- Makes Agreement consistent with AGM resolutions which implement above changes
- Takes effect for each member automatically upon subscription renewal
- Mark-up at:
 - https://www.dns-oarc.net/files/workshop-201310/oarc-participation-201310_markup.pdf



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Participation Agreement Changes

- 2.2: inserts *“All dues-paying”* members
- 5.1: remove *“The DNS-OARC Secretariat may appoint one (1) member of the Board of Directors in accordance with Article IV, Section 2A of the Bylaws.”*
- 5.2: remove *“The Advisory Group may appoint one (1) member of the Board of Directors in accordance with Article IV, Section 2B of the Bylaws.”*
- 5.3: largely replaced with reference to Bylaws about Board composition
- Schedule A: *“Beneficial..Points of Contact”*
“neither..shall have any voting rights”



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AGM Resolutions

- 1.To approve the audited OARC, Inc. financial statements for the fiscal year 2012
- 2.To approve the Minutes of the 2012 OARC, Inc AGM
- 3.To provide that the Director formerly appointed by the Secretariat shall be elected by a majority vote of the members and shall be deemed an At-Large Director
- 4.To provide that the Director formerly appointed by the Root Services Advisory Committee shall be elected by a majority vote of the members and shall be deemed an At-Large Director
- 5.To provide that beginning in 2013, the terms of the directors shall commence on the date on which the annual meeting of the members is held
- 6.That Section 2.2(a) of the Participation Agreement is hereby revised to provide that only dues-paying members of the Company shall have the right to vote on any matter which requires approval of the Company's members pursuant to the Bylaws



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Board Seats

- Existing Board member Peter Koch's (DENIC) two-year term has ended
 - Existing Board member Matt Pounsett's (Afilias) two-year term has ended.
 - Proposed resolution to convert the appointed Board seat currently reserved for the Secretariat Director, held by Suzanne Woolf (ISC) to an elected at-Large seat.
 - Proposed resolution to convert the appointed Board seat currently reserved for the Root Server Operators to an elected at-Large seat.
- The Board member currently holding this seat, John Crain, will complete the remaining year of his term before this Board seat is offered for election in 2014.



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Board Candidates

- Chris Griffiths (Dyn)
- Wayne Maclaurin (Demand Media/eNom)
- Bill Manning (ISI)
- Matt Pounsett (Afilias)
- Kevin Thomas (Minds and Machines)
- Duane Wessels (Verisign)



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Contacting OARC

- Member Portal:
 - <https://portal.dns-oarc.net/>
- [<admin@dns-oarc.net>](mailto:admin@dns-oarc.net) +1 650 423 1344
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