



LACNIC
*Latin American and Caribbean
Internet Addresses Registry*

2010 Annual Report

2010



Vision

"To lead a space for building and articulating initiatives for Internet development and stability in Latin America and the Caribbean."

Mission

To administrate Internet numbering resources and contribute to the creation of collaboration and cooperation opportunities that will benefit the regional Internet community, committed to:

- The quality of our services.
- Constantly perfecting an impartial, participative and transparent self-regulation model in cooperation with the other regional Internet registries.
- Promoting the participation of all stakeholders in the organization's processes.
- Adopting and promoting technological advancements and standards within the industry.
- Strengthening the relationships with the main stakeholders of the Internet within the region.
- Developing regional capabilities through training and the dissemination of Internet-related technology.

2010 Highlights

2010 Highlights

This year, the work of both LACNIC and its community has been intense. The purpose of this brief summary of the organization's highlights and those of its members is to guide you through a document that contains the core aspects of what was done in 2010.

The end of *IPv4* signals a new era

On the threshold of the exhaustion of the central pool of IPv4 addresses, **LACNIC promoted** various actions for the **adoption of the new protocol (IPv6)** and considered the new scenarios that will arise with the anticipated increase of Internet penetration within the region, which is expected to grow from 35% to 70% in the next five years.

5

Quality Services for our Clients



Improving the quality of our services is one of the areas LACNIC worked on during 2010. Thus, this year the organization implemented new **quality services** for its clients which brought about significant **improvements in resource application response times**, a quality assurance plan for IP resources, and our *new resource management system* (SARA).

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Two meetings, one community

In 2010, LACNIC once again organized two successful meetings: LACNIC XIII in **Curaçao** and LACNIC XIV in **Sao Paulo**. More than 500 participants are a testament to the effectiveness of the participation model and allowed reaching consensus on new *Internet resource management policies* for Latin America and the Caribbean in these critical times.



10-17

Validity of the *participation model*

Seven policy proposals on Internet resource management at LACNIC achieved consensus at the Public Policy Forums (PPF) held at both annual meetings, a fact that strengthens the *multistakeholder, open and participative* model on which our organization is based.

12/15

A new forum that is here to stay



LACNOG 2010, the first meeting of the Latin American and Caribbean network operators forum, allowed **exchanging technical information** and experiences relating to network infrastructure, as well as debating issues of interest on *technical implementation and operational practices*.

16

From the *beta* version to the first certificates

During 2010 LACNIC launched an *Internet Resource Certification program* that allows organizations within the region to digitally prove that they have the right to use the IPv4 and IPv6 addresses and ASNs they have been assigned, which represents a significant improvement in terms of Internet routing system security and reliability.

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Acknowledgement of the *organization's commitment to the region*

As a result of the work conducted with governments and organizations in favor of Internet development within the region, the year concluded with the appointment of LACNIC to participate in the follow-up mechanism of the new *eLAC 2015* plan approved at the Ministerial Summit in Lima.

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Innovation for development

This year the organization increased its contributions towards the development of the Information Society. Ten initiatives received **FRIDA** awards, 300 computer security experts were trained within the framework of the **AMPARO** Project, and the installation of a new root server copy in Haiti was supported as a way to overcome technological barriers.

22/23

LACNIC's Board of Directors

LACNIC is managed and administrated by a 7-member Board of Directors. The seven directors are elected annually by the organization's members through an electronic voting process. Candidates may or not be LACNIC members and the election is open to all members.

During 2010, LACNIC's Board of Directors was made up as follows:



From left to right: Raúl Echeberría, Fábio Marinho, Javier Salazar, Oscar Messano, Rafael Ibarra, Hartmut Glaser, Alejandro Guzmán and Oscar Robles

Name	Position	Country of Residence	Term ends in
Oscar Messano	President	Argentina	December 2011
Fábio Marinho	Vice President	Brazil	December 2010
Oscar Robles	Member	Mexico	December 2011
Javier Salazar	Secretary	Mexico	December 2010
Hartmut Glaser	Treasurer	Brazil	December 2012
Alejandro Guzmán	Deputy Treasurer	Colombia	December 2012
Rafael Ibarra	Deputy Secretary	El Salvador	December 2012
* Raúl Echeberría	Executive Director	Uruguay	

*LACNIC's Executive Director participates in Board meetings with rights equal to those of a director, except for the right to vote.

Elections were held in November 2010, as a result of which Wardner Maia was elected to replace Fabio Marinho, whose term ended in December 2010, and Javier Salazar was reelected to his position. These directors will hold their positions for three years beginning in January 2011.

Fiscal Commission and Electoral Commission

During LACNIC's Annual Member Assembly held on 20 May in Curaçao, new members were elected to LACNIC's Fiscal and Electoral Commissions. The winning candidates for these positions were Cassio Vecchiatti and Jose Enrique Diaz, respectively. These commissions are currently made up as follows:

Fiscal Commission

Name	Country of Residence	Term ends in
Cassio Vecchiatti	Brazil	2013
Gabriel Adonaylo	Argentina	2011
Adriana Ibarra	Mexico	2012

LACNIC's Fiscal Commission is an independent organ charged with overseeing the organization's operation and the actions of the Board of Directors. It is made up by three members elected by LACNIC's Member Assembly. Its members serve a three-year term.

Electoral Commission

Name	Country of Residence	Term ends in
José Enrique Díaz	Mexico	2013
Fermín Uribe-Echeverría	Chile	2011
Jorge Raúl Cabañas	Paraguay	2012

This independent body is in charge of organizing elections and is made up by three members elected by LACNIC's Member Assembly. Its members serve a three-year term.

Coordinating Efforts in Order to Continue to Grow

By Oscar Messano
President of LACNIC's Board of Directors

Since the beginning, LACNIC has always maintained the collective spirit that inspired a group of individuals and institutions back in the year 2000 to create a space for doing something different regarding Internet resource administration at regional level.

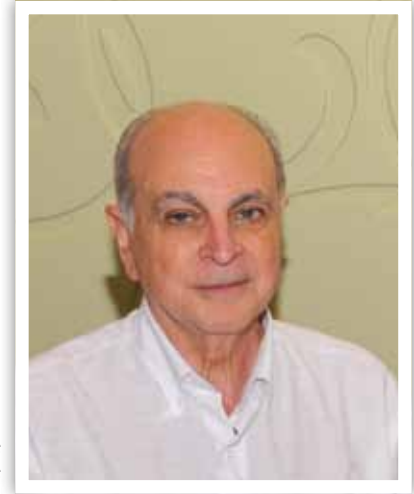
Thanks to those guidelines set forth early on, today we can say that Latin America and the Caribbean have an organization that is tailored to its needs, in which the community can express itself, participate openly, and become involved in the new challenges posed by the Internet.

In 2010 the organization expanded to accompany its growing community and dreams.

This year LACNIC devoted much time and energy to perfecting its services to better serve the needs of its members, the numbers of which have grown significantly. During this past year the organization increased its number of members by 40% and now its more than 1500 clients include the major companies and organizations providing Internet access services within the region. This has led us to implement changes in our human resource management and add new software tools to maintain and improve the current satisfaction levels of LACNIC members and clients.

The two annual meetings organized by LACNIC were other highlights on which you will find abundant information in this document. The first of these meetings was held in the month of May, in Curaçao; the second, in the month of October, in the city of Sao Paulo. Attended by more than 500 participants, both meetings allowed face-to-face interaction among the community, contributed to making changes in the way our organization works, and promoted new policies based on proposals presented by the community during the forums. This success has encouraged us to organize two annual meetings in 2011.

In addition, in 2010 the bases were laid for facing one of the greatest technical challenges currently affecting the Internet. Number resource (IP addresses and autonomous numbers)



Oscar Messano
President of LACNIC's
Board of Directors

certification by means of a set of technologies that will provide greater Internet security and stability, guaranteeing the routing system. This project, which is called Resource Public Key Infrastructure or RPKI, will allow members of the organization to digitally prove that they have the right to use IPv4 and IPv6 addresses.

In 2010 we continued to work with all relevant stakeholders in order to keep promoting IPv6 deployment as well as to ensure IPv4 address availability in light of the central pool exhaustion. Our region is prepared in the best possible way to overcome the most important technological change that the Internet has had to face in its entire history.

During all these years, the work of LACNIC and the participation of its community have led to the development of proper policies for handling Internet resources, which will now allow us to have IPv4 addresses for a reasonable period of time. Had LACNIC not outlined this path, the situation in the region would undoubtedly be quite different.

It is now clear that IPv6 is the new generation of the Internet protocol and that it is essential for the Internet to continue to grow during the next decade, particularly considering that it is anticipated that average Internet penetration in Latin America and the Caribbean will increase from 35% to 70%.

Another year has consolidated LACNIC as an articulator of the regional community, capable of actively contributing to the creation of cooperation and collaboration opportunities in favor of the development of the Information Society in Latin America and the Caribbean.

Internet Resources at LACNIC

Because of the imminent depletion of IPv4 and the need to promote the adoption of IPv6 and 4-byte autonomous systems, 2010 was a very important year for LACNIC in terms of resource assignments.

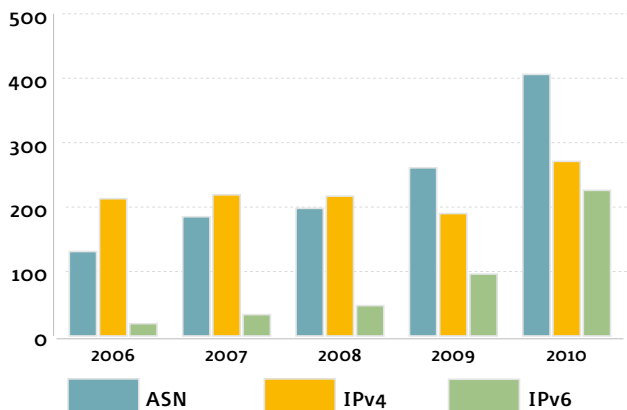
During 2010 LACNIC assigned the following resources:

- ASN assignments: 380
- IPv4 /24 address block assignments: 67,428
- IPv6 address block assignments: 204

Evolution of Internet resource assignments within the region during the past 5 years

In global numbers, resource assignments grew significantly in 2010 as compared to 2009:

- ASN assignments grew by 45.6%,
- IPv4 address block assignments grew by 57.8%, and
- IPv6 address block assignments grew by 112.5%



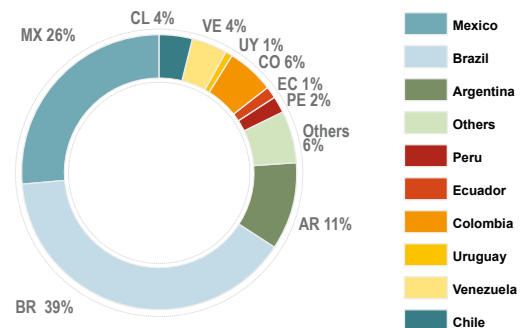
2010 Resource Allocation by Country

Resource allocation by country is similar for all types of resources.

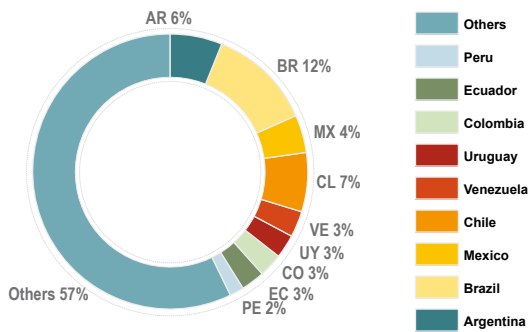
This is reflected in the following charts, where we can see that, in the case of IPv4 addresses, the country where the largest number of resources were assigned is Brazil, followed by Mexico, Argentina and Chile. As to IPv6, Brazil remains in first place, followed by Chile and Argentina.

In the case of Autonomous Systems, Brazil is the leader by far, having received 61% of all assignments. It's followed by Argentina (10% of the assignments) and then by Chile and Colombia (each with 4% of the assignments).

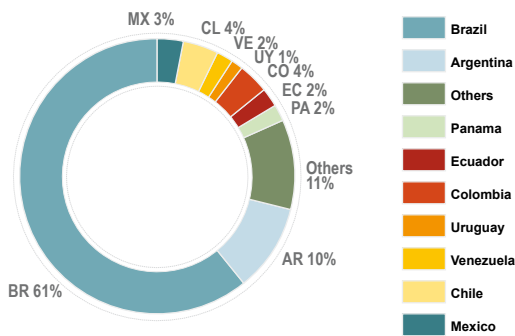
IPv4 allocations



IPv6 allocations



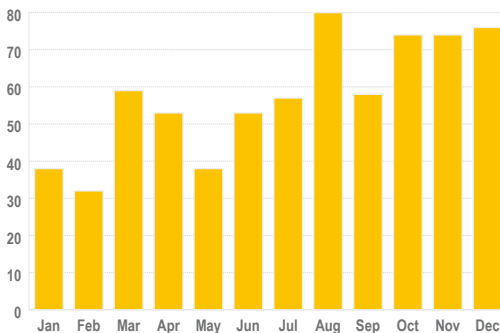
ASN allocations



Assignments evolution during 2010

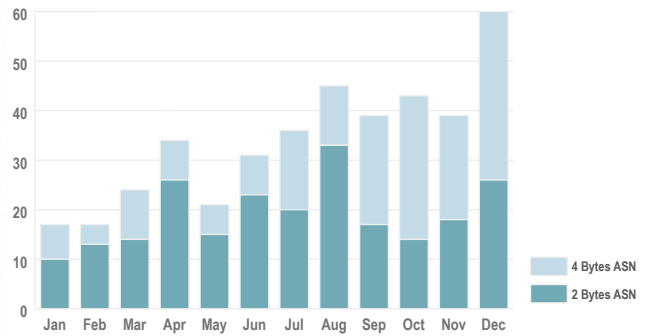
IPv4 assignments

Although IPv4 assignments continued to grow significantly during 2010, this did not trigger any alerts regarding the scarcity of LACNIC's IPv4 reserves in the short term.



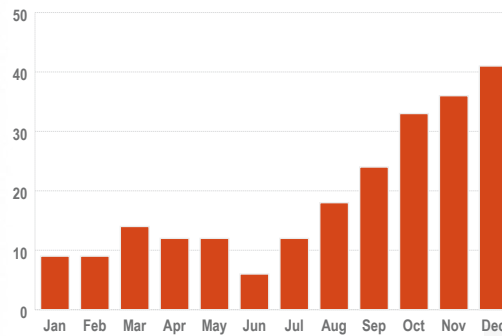
ASN assignments

In the case of Autonomous Systems, beginning in September 2010 and pursuant to the Global Policy for Allocation of ASN Blocks adopted by ICANN, LACNIC ceased to make any distinction between 2- and 4-byte ASNs. LACNIC is the second most important region (after RIPE) in terms of 4-byte ASN assignments.



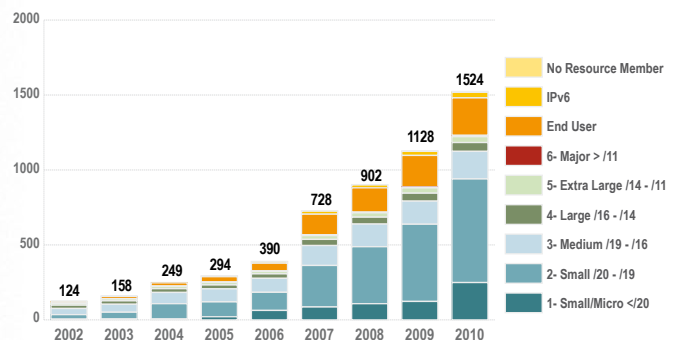
IPv6 assignments

As to IPv6, a substantial growth in IPv6 assignments was observed starting in July 2010. After that, growth levels remained constant and it is anticipated that this will continue during 2011. In few words, we can say that IPv6 adoption has finally taken off at regional level.



Membership Evolution

Number of Members 2002-2010 (aggregate, by category)



[Quality Services for our Clients]

+ quality

Resource quality

In cooperation with the technical department's R+D unit, we have started an IP resource quality assurance plan. This plan will ensure the quality of the IP resources assigned by LACNIC and will also reduce the problem of resources that are not accepted due to routing filters or those marked as spam sources.

+ services

New services

Finally, as part of our service innovation goals, during 2010 a pilot of the Internet Resource Certification system (RPKI) was launched and the Automated Resource Administration System (SARA) was placed into operation.

+ quickness

Improved response times

In our constant effort to perfect LACNIC's customer service and improve resource application response times, during 2010 Registration Services implemented a monitoring system that has allowed us to obtain a set of indicators. These initial measurements will be used to implement an indicator improvement program in 2011.

Technical area innovations

During 2010 LACNIC's technical team developed two innovative projects: Internet Resource Certification (RPKI) and the Automated Resource Administration System (SARA).

Internet Resource Certification (RPKI)

As part of its actions aimed at contributing to the global growth and development of the Internet, in 2010 LACNIC launched a pilot RPKI system -an Internet resource certification procedure that allows all members of the organization with resources assigned by LACNIC- to digitally prove that they have the right to use IP addresses. Likewise, the project was prepared for placing it into production in early 2011.

This effort reaffirms LACNIC's commitment to cooperating in working groups for developing Internet protocols and with organizations promoting greater Internet security.

The Internet Resource Certification System (RPKI) issues cryptographic material that allows LACNIC members to digitally prove their right to use both IPv4 and IPv6 addresses as well as Autonomous System Numbers (ASN). The main goal of RPKI is to provide the basis for improving IP packet routing security.

The resource certification project establishes a public key infrastructure (PKI) commonly known as RPKI (Resource Public Key Infrastructure). This infrastructure combines the hierarchy of the Internet resource assignment model through Regional or National Internet Registries with the use of digital certificates based on standard X.509.

Some of the applications proposed for this infrastructure include, among others, creating filters for announcements made using BGP (Border Gateway Protocol), creating routing rules based on the cryptographic validity of the announced prefixes, and signing WHOIS data and RPSL (Routing Policy Specification Language) information.

A System for the Enhanced Administration of Internet Resources (SARA)

In response to the demands of our members and as part of our constant efforts to improve our services, LACNIC launched a new Automated Internet Resource Administration System (SARA).

This initiative comprises an interface for managing Internet resources assigned to third parties (sub-assignments to clients) and keeping the records for these resources automatically updated. The use of this system, which utilizes the Extensible Provisioning Protocol (EPP), represents a major improvement for member organizations who have received resources from LACNIC in terms of handling and administering these resources, as it allows them to synchronize the information stored in their internal databases with LACNIC's database.

Operation of Exclusive Servers

In November 2010, together with the other RIRs, LACNIC began operating exclusive DNS servers (D.IP6-SERVERS.ARPA) for the ip6-arpa and ip6-servers.arpa zones as described in RFC 5855, which are critical for the proper operation of the Internet. During the course of 2011 and in coordination with ICANN, LACNIC will also operate the D.IN-ADDR-SERVERS.ARPA server. Both changes will ensure a better and more secure operation of the IN-ADDR.ARPA and IP6.ARPA zones, which are critical for Internet operation.

Likewise, the R+D department provided continuity to several other innovation and development projects. These projects include ensuring the quality of new Internet resources, developing IPv6 metrics and adoption analyses, DNSSEC, and the creation of the LACNIC-Labs pilot.

LACNIC XIII brought together representatives from 35 countries

More than 250 people from over 35 countries participated in LACNIC XIII, the first major event of 2010 which was held on 16-21 May in the city of Willemstad, Curaçao, hosted by the Bureau Telecommunications and Post (BT&P) and CAR-IX.

Representatives of different sectors participated in this meeting, including governments, academia, Internet service providers, ccTLD and NAP operators, content providers, international carriers, Regional Internet Registries, ICANN, and civil society.

All plenary sessions were broadcasted via webcast and simultaneous interpretation was provided in three languages (Spanish, English and Portuguese). These webcasts allowed an important number of people from different regions to participate remotely.

Highlights of the event included:

Tutorials

Seven tutorials were held on the first two days of the meeting. The material presented during these workshops is available on the event's website.

- IPv6: Introduction and Configuration
- IPv6 - OSPF and BGP Routing Practices
- LACNIC Resource Certification System - RPKI
- New LACNIC Registration System (SARA)
- DNSSEC
- Creating and Managing Computer Security Incident Response Teams (CSIRTs)
- ISP Traffic Engineering Using BGP Features

New Participants

More than 50 people attended the LACNIC event for the first time and participated in a special session where they were presented information on LACNIC and details on the activities that the organization carries out during its meetings. This welcome meeting for new participants was attended by members of LACNIC's Board of Directors.

General Sessions

An innovation to the traditional structure of LACNIC events was that, in Curaçao, joint general sessions were held with the participation of LACTLD (Latin American and Caribbean TLD Association). These sessions focused on relevant issues of common interest to both organizations, such as: Internet Governance, DNS security, DNSSEC deployment in ccTLDs.

As usual, LACTLD also held its member assembly and a policy workshop within the framework of LACNIC's annual event.

16/21 MAY 2010 CURAÇAO, NETHERLANDS ANTILLES



Regional Interconnection Forum, NAPLA 2010

A report of what had been discussed on the NAPLA mailing list was presented, followed by reports from representatives of many of the region's NAPs. In addition, the results of the election conducted to appoint a forum chair were announced: Milton Kaoru Kashiwakura was re-elected to the position. The presentations are available on the event's website.



Milton Kaoru Kashiwakura, re-elected Regional Interconnection Forum Chair (NAPLA)

LACSEC – Improving Network Security in Latin America and the Caribbean



Network Security Event, LACNIC XIII, Curaçao

The Fifth Network Security event for Latin America and the Caribbean included two keynote speakers: Laura Kuiper (Cisco), whose presentation dealt with how to handle security incidents, and Carlos Morales (Arbor Networks), who analyzed potential threats and possible defense mechanisms when a datacenter faces a distributed denial-of-service attack. All presentations are available on the event's website.

+RAICES – Root Server F Copy for Haiti

In a historic decision that seeks to contribute to Haiti's process of social, economic and institutional re-founding, LACNIC decided to support the installation of a root server copy in that Caribbean country that will provide service to the entire region. This root server F copy will be installed thanks to an agreement signed between LACNIC and the Internet System Consortium (ISC), a non-profit public benefit corporation also dedicated to promoting Internet development. The Haitian Association for the ICT Development (AHTIC) will be responsible for maintaining the equipment in operating conditions and providing connectivity and power to the new server.



Signing the agreement for the installation of a root server in Haiti - Paul Vixie (ISC), Raul Echeberria (LACNIC), Reynold Guerrier (AHTIC)

New Policies promoted by the Public Forum

During the Public Forum, three of the five presented policies achieved consensus and were later ratified by LACNIC's Board of Directors:

LAC-2007- 01

Modification of the IPv6 Block Announcement Policy.

LAC-2010-02

Election of Chairs through Electronic Mechanisms.

LAC-2009-04

Transfer of IPv4 Blocks within the LACNIC Region.

The following policies did not achieve consensus at the forum:

LAC-2009-09

Modification: 2.3.3.3. Direct Allocations to Internet Service Providers. This proposal was sent back to the policy list for further discussion and was then presented again at the following public forum, which met in October (LACNIC XIV).

LAC-2010-01

One Public Policy Forum Chair per Linguistic Community. This policy was later withdrawn by its author.



Francisco Arias, Forum co-chair, ended his term at the LACNIC XIII meeting in Curaçao.

During this meeting it was announced that a second Public Policy Forum would be held in October in the city of Sao Paulo, Brazil, during the LACNIC XIV event to be held jointly with the first LACNOG event.



Public Policy Forum, LACNIC XIII, Curaçao



Max Larson Henry, elected LACNIC Public Policy Forum chair, Nicolas Antoniello, co-chair.

Max Larson Henry, of Haiti, was elected co-chair of LACNIC's Public Policy Forum and will now occupy the position vacated by Francisco Arias, whose term expired at the closing of this forum.

The first steps of RPKI

During the Forum, a report on the progress of LACNIC's activities towards the implementation of the Resource Certification (RPKI) project as well as the Certification Practice Statement (CPS) for LACNIC's RPKI was presented. The CPS consists of a description of the practices followed by a Certificate Authority (CA) in order to generate and manage certificates.

Latin American IPv6 Forum, FLIP 6

The IPv6 Forum – which continues to promote the adoption of the new Internet protocol within the region – was one of the highlights of LACNIC XIII. The meeting allowed participants to exchange experiences ranging from commercial to academic applications and including future projects for IPv6 implementation.

An annual report was presented on the activities of the Latin American and Caribbean IPv6 Task Force, followed by several presentations on activities conducted to promote the deployment of IPv6 both within the region as well as at global level. These presentations are available on the event's website.

In search of greater participation

The Forum's agenda included a panel made up by the chairs of all of LACNIC forums -the Public Policy Forum, LACSEC, FLIP-6, and the Regional Interconnection Forum- who discussed how to increase the community's participation in the forums, mailing lists, and other participation mechanisms offered by LACNIC.



Forum chair panel, Curaçao, May 2010

LACNIC annual member assembly

The assembly approved the annual report, balance sheets and external auditor's reports as at December 2009 by unanimous vote.



LACNIC Annual Member Assembly, Curaçao, May 2010

New members of the Fiscal and Electoral Commissions were also elected. Cassio Vecchiatti and Jose Enrique Diaz were respectively elected to these positions.

The proposed modification of service and membership fees for the three highest member categories was approved by a majority of votes. Details of the documents discussed during the Assembly are available on LACNIC'S website.

LACNIC XIII Financial Assistance Program

Forty people from 21 different countries of the region received financial support through LACNIC's financial assistance program in order to participate in LACNIC XIII. These participants were invited to a session where they were informed about the activities LACNIC is conducting to promote the regional community's participation and what LACNIC expects from them in return.

LAC Government meeting

The third meeting of the Latin American and Caribbean Governments Working Group was held within the framework of LACNIC XIII. The face-to-face meeting was attended by 18 government officials representing 15 different countries of the region, while 11 more officials from 5 other countries participated remotely.

LACNIC presented an activities report on the AMPARO and RPKI projects. The exhaustion of IPv4 addresses and the importance of transitioning to IPv6 were discussed.

Likewise, discussions were held on issues relating to the WHOIS service and the implications of certain countries' privacy laws. Several representatives of different law enforcement agencies of the region joined in this discussion remotely.

There was consensus on the need to continue working on facilitating IPv6 adoption within the region, coordinating promotion and training activities.

Caribbean Participants meeting

Fifteen attendants from Caribbean countries participated in the meeting summoned by LACNIC with the aim of understanding their needs, their views on LACNIC meetings and how to increase the participation of the Caribbean community in the different participation mechanisms offered by LACNIC.



About the Bureau Telecommunications and Post (BT&P)

Bureau Telecommunications and Post (hereinafter: BT&P) is the semi-autonomous regulatory authority for the Curaçao communications industries, with responsibilities across television, radio, telecommunications, and wireless communications services.

"(...) Our vision into the future is primarily driven by an interconnected Caribbean which will guarantee the growth of our region. Based on emerging complexities, we see a future where all stakeholders, including regulators, will have to live in a new world of further cooperation and mutual support throughout our region (...)"



About CAR IX

CAR-IX is a neutral and independent not-for-profit Internet exchange modeled after the Amsterdam Internet Exchange (AMS-IX), one of the world's most successful and high-quality Internet Exchanges. The CAR-IX platform has been designed and is operated by AMS-IX.

The exchange provides continuous high-quality full-capacity peering services for Caribbean and South American networks that want to keep as much traffic local for network optimization and financial benefit.

LACNIC would like to thank all those who made this event possible, particularly the Bureau Telecommunications and Post and CAR-IX who hosted the event, as well as the meeting's sponsors: NIC.br, CGI.br, Afiliás, Ams-IX, Google, ISOC, ICANN, NIC.mx, NIC.cl, Antel Uruguay, UTS, Scarlet, and NetPro.





The second major 2010 LACNIC event, LACNIC XIV, brought more than two hundred technicians and experts together for four days in the city of Sao Paulo, Brazil, where the LACNIC event was held jointly with a meeting of the Latin American and Caribbean Network Operators Forum (LACNOG) and the Forum of Brazilian Autonomous System Numbers (PTT Forum).

Twenty-one countries were directly represented at the meeting which took place on 19-22 October, 2010, at the Hotel Caesar Park International Airport, in Guarulhos, São Paulo, Brazil, hosted by NIC.br - CGI.br.

Live broadcast via webcasting allowed a significant number of people to participate remotely through this and other channels provided to that end.

LACNIC XIV *an event with a technical focus*

Public Policy Forum



Public Policy Forum, LACNIC XIV, Sao Paulo, Brazil

Five policy proposals were presented during the LACNIC XIV Public Policy Forum in Sao Paulo, four of which achieved consensus and went on to the 45-day last call for comments period.

The following proposals achieved consensus:

LAC-2010- 03

Inclusion of ASN in the WHOIS when Available

LAC-2009-09

Modification: 2.3.3.3. Direct Allocations to Internet Service Providers

LAC-2010-05

Initial Allocation and Assignment of IPv4 Addresses to ISPs

LAC-2010-06

Assignments to End Users with Interconnection Needs

A fifth proposal did not reach consensus at the Forum:

LAC-2010-04

Global Policy for IPv4 Allocation by the IANA Post Exhaustion. The moderators decided to send this proposal back to the mailing list for further discussion and present it again at the next meeting.

The end of the IPv4 space: possible scenarios

LACNIC's Executive Director, Raúl Echeberría, presented an analysis of the use of IPv4 address space in Latin America and the Caribbean and a report on the resources available for the region. Representatives of some of the region's major operators participated in the panel, sharing their views on this issue and debating the current exhaustion of IPv4 addresses as well as the importance of IPv6 and the transition to the new protocol.



Panel: "The End of the IPv4 Space, Future and Possible Scenarios" - LACNIC XIV, Sao Paulo, Brazil

LACNIC's presentation is available at:

<http://www.lacnic.net/documentos/presentaciones/lacnicxiv/usoipv4.pdf>



Network Operators at LACNOG 2010

Together with relevant regional organizations such as ISOC, CLARA, NIC.mx, NIC.br - CGI.br, LACNIC provided its support for the organization of the First Latin American and Caribbean Network Operators Forum, LACNOG 2010, which was attended by a large number of members of the Internet community who had the possibility to exchange experiences and technical information regarding network infrastructure and to discuss technical implementation issues and operating practices.

LACNIC would like to thank all those who made this meeting possible, particularly NIC.br - CGI.br who hosted the meeting and the Internet Society (ISOC) who took upon itself the responsibility of organizing the first LACNOG meeting. Likewise, we would also like to thank the sponsors who brought additional quality to the event: Antel Uruguay, Google, Internexa, NIC.cl, Brocade, Black IT, Extreme Networks, TDec Network Group.



Policies required in the face of a new reality



Panel: "Policies Required in the New Scenario", LACNIC XIV, Sao Paulo, Brazil

To complement the panel on the new, post-exhaustion of the central pool of IPv4 addresses scenario, another panel made up by Argentine, Brazilian and Venezuelan operators focused on the need to adjust current policies to ensure a seamless transition towards IPv6 deployment.

Suggestions made by the panelists and the public in general included demanding that providers requesting the remaining resources deploy IPv6, ensuring the availability of IPv4 space during the transition, reservation policies to avoid the creation of a black market, and joint policies between LACNIC and National Registries.



Promoting participation: needs and possibilities

The panel on “Promoting Participation: Needs and Possibilities” was made up by all LACNIC forum chairs who -for the second time in the year- discussed how to increase community participation in LACNIC forums and activities. A high degree of participation was observed both from the public in attendance as well as from those sharing their opinions remotely.



Panel: “Promoting Participation: Needs and Possibilities”

LACNIC made a presentation on the updates to its technical services, where the progress of the organization’s activities on issues such as the Resource Certification System (RPKI), the Automated Resource Management System (SARA), and comments on the RPKI Certification Practice Statement (CPS) were presented.



LACNOG 2010 Presentations, Sao Paulo, Brazil

All presentations and the meeting’s webcast files are available on the event’s website.

<http://lacnic.net/en/eventos/lacnicxiv/>

LACNIC XIV - LACNOG Financial Assistance Program

LACNIC’s financial assistance program and the support of ISOC allowed 34 people from 12 different countries within the region to receive financial assistance for participating in the joint LACNOG - LACNIC XIV event.



About CGI.br

The Brazilian Internet Steering Committee (CGI.br) was created by the Brazilian government with the purpose of coordinating and integrating all Internet service initiatives in Brazil, as well as promoting technical quality, innovation and the dissemination of the services available. Made up by government representatives, representatives of the corporate sector, the third sector, and the academic community, CGI.br represents a pioneering Internet governance model based on the principles of multistakeholderism, transparency and democracy.



About NIC.br

The Brazilian Network Information Center (NIC.br) is a non-profit civil entity that implements, since December 2005, the decisions and projects designed by the Brazilian Internet Steering Committee.

Internet Resource Certification

From the beta version to the first certificates

During 2010 LACNIC launched an Internet Resource Certification program that allows organizations within the region to digitally prove that they have the right to use the IPv4 and IPv6 addresses and ASNs they have been assigned, which represents a significant improvement in terms of Internet routing system security and reliability.

This program is part of a global initiative that the Number Resource Organization (NRO), the organization that groups all five existing Regional Internet Registries, is developing which includes exchanging codes and tools, coordinating the deployment of various programs, and active participation in the creation of standards required for their implementation (IETF).

The beta version of the RPKI (Resource Public Key Infrastructure) program was presented in Curaçao during the first 2010 LACNIC meeting. This application, which was presented in Curaçao for the consideration of the Latin American and Caribbean community, is the result of three years of design and planning on the part of LACNIC's technical department together with the other Regional Internet Registries, who have also worked intensely on this project.

The initial version of RPKI was intensely discussed at the Public Forum in Curaçao, where users provided feedback, raised questions and recommended improvements. The technical team took note of these community proposals and, thanks to user contributions, ended up generating a set of technologies with improved critical functionalities.

After the revision stages were completed, the final version of the RPKI program was ready to be placed into production in January, providing greater network security and stability by improving the routing system.

During a first phase, LACNIC members will be able to access the system in "hosted" mode, which means that resource certificates will be created and maintained by LACNIC.

These certificates will allow members to create signed objects (Routing Origin Authorizations, ROAs) for the resources they wish to announce through the specified origin Autonomous System Number (ASN).

A key for validating resources.

The resource certification project establishes a public key infrastructure (PKI) commonly known as RPKI (Resource Public Key Infrastructure). This infrastructure combines the hierarchy of the Internet resource assignment model through Regional or National Internet Registries (RIRs or NIRs) with the use of digital certificates based on standard X.509. Certificates are typically used for authentication either of an individual or, for example, a website. In RPKI, certificates do not include identification information as their only purpose is to transfer the right to use Internet resources.

The existence of an Internet resource PKI allows validating an organization's right to use a certain resource. Thus, IP packet routing security is improved and the hijacking of resources by organizations that do not have the right to use them is prevented.

Towards New Cooperation and Participation Models

In support of its commitment to the guiding principles of the World Summit on the Information Society and its policy of cooperating with all Internet related organizations, during 2010 LACNIC furthered its relationships with various stakeholders, working in cooperation with governments, actively participating in intergovernmental bodies, and articulating cooperation initiatives aimed at Internet development within the region of Latin America and the Caribbean.

LAC Government Working Group

As already mentioned, once again the Latin American and Caribbean Government Working Group held a face-to-face meeting within the framework of the LACNIC event in Curaçao.

These meetings provide a space for sharing and cooperation between LACNIC and the region's governments. They include the presentation of a report on the different activities carried out by LACNIC and an update of the policy discussions relating to number resources within the region.

The region's governments discuss the most relevant issues at the time, such as the challenges faced by the region in view of IPv4 address space exhaustion and the transition towards the new IPv6 protocol, sharing their respective countries' experiences.

Likewise, issues relating to WHOIS services and the legal implications of different countries' privacy laws are discussed.



Government Working Group, May 2010, Curaçao.

AHCIET Forums on Regulation

Each year LACNIC actively participates in the AHCIET Forums on Regulation and the REGULATEL-AHCIET Summits, events that bring together telecommunications regulators and operators from around the region. The XIII Regulators and Operators Summit, REGULATEL-AHCIET,

met in July 2010 in Lima, Peru. This edition of the Summit focused on "Broadband regulation: A challenge for the converging information society." LACNIC contributed supplies, recommendations and best practices on IPv6 deployment.

LACNIC, observer for the follow-up of the technical goals of the Ministerial Summit of the Information Society

During the III Ministerial Conference on the Information Society in Latin America and Caribbean which took place in Lima, Peru, the technical community appointed LACNIC to conduct the follow-up of the new eLAC 2015 action plan, which considers that information and communication technologies (ICTs) are tools for achieving greater development with greater innovation and equality. This strategy was agreed by civil society, international organization representatives and government authorities until 2015.

The plan's main guidelines aim at making major progress towards the universalization of access to quality broadband within the region and the incorporation of ICTs into productive activities, public services, education, and the health system.

ITU Plenipotentiary Conference 2010

Within the framework of the Inter-American Telecommunications Commission of the Organization of American States, together with ARIN, AfriNIC, APNIC and ISOC, LACNIC participated as part of the technical community at the 2010 International Telecommunications Union Plenipotentiary Conference, which was held in Guadalajara, Mexico, during the month of October.

Aspects relating to the administration of the ITU were discussed, as were issues of particular interest to Regional Internet Registries (RIRs) such as Internet number resource distribution and management (IPv4 and IPv6 addresses and ASNs). Special emphasis was placed on the fact that the transition to IPv6 should have a positive impact on developing regions.

Discussions also covered topics relating to global cybersecurity and issues relating to ICTs. Approved resolutions include one on "Facilitating the transition from IPv4 to IPv6", which draws on the actions suggested by CITELE's Inter-American proposal and agrees to cooperate with relevant international organizations, including the technical community (i.e. RIRs and the IETF, among others) to promote IPv6 deployment by increasing awareness and building capabilities.

XVII Meeting of the CITELE Permanent Consultative Committee (CCP.I)

During the meeting held in the city of Salta, Argentina, on 2-5 November, 2010, LACNIC contributed presentations on the current state of IPv4 addresses within the region and an update on the Resource PKI and Regional Interconnection projects.

Within the framework of the resolutions approved during the 2010 ITU Plenipotentiary Conference, and continuing with the recommendations drafted within the framework of CITELE, member states decided to design clear strategies and prepare a plan of action for IPv6 deployment both at national as well as at regional level. LACNIC was appointed coordinator of this initiative and both LACNIC and ARIN were recognized as points of reference in this area.

The furtherance of our relationships with the region's governments, civil society organizations and the private sector have generated constant interaction based on open dialogue and respect for the various functions, factors that have allowed LACNIC to play an active role in the articulation of collaborative efforts in benefit of Internet development in Latin America and the Caribbean.

In its capacity as observer of the follow-up mechanism for the eLAC goals, LACNIC considers that it is of vital importance to focus efforts on reducing the cost of international links by creating traffic exchange points that will favor the consolidation of national traffic, as well as on promoting local innovation and content production and attracting content providers and distributors to the region.

Promoting IPv6, the new Internet protocol, is another crucial goal for 2015. In order to achieve this goal we will work together with all regional stakeholders, including the academic and commercial sectors, the technical community and the organizations that participate in this issue so that during this period the region will achieve widespread deployment of the IPv6 protocol.

LACNIC will continue to implement actions so that in the short term national plans are developed that will allow accessing the public service portals of the region's governments via IPv6 and encourage state networks to operate with native IPv6.

The forum decided that promoting the existence of computer emergency response teams in all the countries of our region is also a strategic goal for 2015. In this sense, LACNIC will provide all the expertise gathered through the AMPARO project, an initiative of our organization that promotes the creation of Computer Incident Response Teams (CSIRTs) around the continent.

III Latin American and Caribbean Regional Preparatory Meeting for the IGF



III Latin American and Caribbean Regional Preparatory Meeting for the IGF

Further advancing the Enhanced Cooperation process, together with APC (the Association for Progressive Communications) and the NUPEF Institute, LACNIC organized the III Latin American and Caribbean Regional Preparatory Meeting for the Internet Governance Forum, which was held in Quito, Ecuador, on 3-5 August 2010.

The meeting was attended by 120 people from 24 different countries of our region and all sectors of the Internet community were broadly represented. Because the meeting was another step towards strengthening the multistakeholder cooperation model and an overall successful experience, and because it identified the regional perspective on the major Internet Governance issues that are under debate, the conclusions of this meeting were shared in the form of Best Practices at the Internet Governance Forum that met in September 2010 in Vilnius, Lithuania.

WALC 2010



As usual, this year, together with other relevant regional organizations, LACNIC co-organized the 2010 edition of the WALC workshops

The 13th Workshop on Internet Network Technologies for Latin America and the Caribbean was held in the city of Santa Cruz de la Sierra on 11-15 October. This workshop was hosted by UPSA (Universidad Privada de Santa Cruz de la Sierra) and was attended by 161 participants from 15 different countries (Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela).

WALC 2010 comprised the following six workshops: Wireless broadband networks for data transmission: WiFi and WiMAX, IPv6 Deployment, Network Administration, Advanced Routing and Multicast, IP Telephony, and Computer Security.

The aim of WALC is to help satisfy the training needs of Latin American and Caribbean technicians and professionals in the fields of information and communication technologies. The workshops emphasize the more practical network aspects, ICT project organization and management, and recent technological developments such as wireless technologies, IP telephony and network management. WALC also seeks to help participants identify and establish relationships at individual and institutional level that will contribute to the development of national and regional Internet-based activities.

161 people from 15 countries:

- Argentina (5)
- Bolivia (93)
- Chile (3)
- Colombia (2)
- Costa Rica (5)
- Cuba (4)
- Ecuador (11)
- El Salvador (3)
- Nicaragua (1)
- Panama (2)
- Paraguay (2)
- Peru (12)
- Dominican Republic (3)
- Uruguay (3)
- Venezuela (12)



FRIDA Program

The FRIDA Program (Regional Fund for Digital Innovation in Latin America and the Caribbean) is a LACNIC initiative supported by the International Development Research Center (IDRC) and the Internet Society (ISOC).

The ten initiatives that received the FRIDA Award in 2010

On 16 August 2010, the FRIDA Program and ECLAC called for proposals seeking to recognize those digital innovation and research initiatives that have contributed the most towards the development of the Information Society in Latin America and the Caribbean during the past few years. The call for proposals closed on 16 October 2010 and was extremely successful, as more than 190 proposals were received and thousands of people visited the FRIDA/eLAC 2010 Award website: www.premiofrida.org

The awards to the ten initiatives that made the greatest contribution to the region's digital growth during the past



Representatives of the initiatives that were received the Award in Lima, Peru, November 2010

few years were presented by the FRIDA Program within the framework of the III Ministerial Conference of the Information Society in Latin America and the Caribbean, which was held on 21-23 November 2010 in Lima with the support of ECLAC. The winning projects range from a pilot experience on the digital inclusion of persons with very low literacy levels in Brazil to a project that uses text messaging to help Chilean agricultural producers.

Contributions to the Development of the Information Society



Gold Prize shared between "STID - Telecom Solutions for Digital Inclusion" (Brazil) and "Network against Child Sexual Abuse" (Chile).

The following is a list of the ten winning projects: Network against Child Sexual Abuse (Red contra el abuso sexual infantil, regional); Seeds Information System (Sistema de información sobre semillas, Bolivia); Regional Dialogue on the Information Society (Diálogo regional sobre la Sociedad de la Información, regional); Training Platform for Rural Areas (Plataforma de capacitación para zonas rurales, Peru); Live Government Online (Vive gobierno en línea, Colombia); Zero Balance (Balance Cero, Argentina); DatAgro - Mobile Information Platform (DatAgro - Plataforma de información móvil, Chile); STID - Telecom Solutions for Digital Inclusion (STID - Soluciones de Telecom para Inclusión Digital, Brazil); Telemedicine in Colombia (Telemedicina en Colombia, Colombia); and New Intellectual Property Law in Chile (Nueva Ley de Propiedad Intelectual en Chile, Chile).

The winning projects were selected by a jury made up by renowned members of academia and regional experts on new information and communication technologies.

The five members of the jury – Valeria Bentancourt (Ecuador), Ida Holz (Uruguay), Edmundo Vitale (Venezuela), Vagner Diniz (Brazil), and Amparo Arango (Dominican Republic) – also awarded a GOLD prize to be shared between two different initiatives: STID - Telecom Solutions for Digital Inclusion (STID - Soluciones de Telecom para Inclusión Digital, Brazil) and Network against Child Sexual Abuse (Red contra el abuso sexual infantil, regional).



AMPARO Project

The AMPARO Project was born in June 2009 in Montevideo (Uruguay) with the mission of strengthening the regional capacity for handling computer security incidents in Latin America and the Caribbean, both at private level as well as at public level. This LACNIC initiative receives financial support from the International Development Research Center (IDRC).

AMPARO's main focus is promoting and providing training on the Computer Security Incident Response Team (CSIRT) methodology, as well as creating original public content for training regional experts.

Its general objective is to strengthen computer security incident prevention and response capabilities within the region of Latin America and the Caribbean.

Computer security experts training

A Workshop for Experts and Instructors was held in Montevideo (March 2010) where more than 40 regional specialists participated to finalize and validate the contents of the materials that would be used in training workshops. Later, five additional workshops were organized in Quito (April), Mexico City (June), Santo Domingo (August), Santiago (October), and Bogota (November) which were attended by a total of more than 290 specialists.

In addition to providing training for experts, these meetings allow participants from different countries to share their experiences, which in turn contribute to the construction of



Computer security experts training in Montevideo, Quito, Santo Domingo and Bogota


a regional knowledge base that will allow facing the growing security challenges posed by the remarkable increase of social and economic transactions on the Internet in the best possible manner.

The workshops promoted the creation of a community made up by hundreds of regional technicians who have access to a Facebook group where they can share security related news, mailing lists where they can clear their doubts or ask questions arising from their daily work, and the initiative's website where they can download the training manual and provide feedback on its contents.

Likewise, regional experts continue to develop and follow-up on five research projects relating to regional security problems, the results of which will be ready before April 2011.

Several regional universities and public organizations have requested permission to reproduce the workshops in full or in part. Among others, highlights include the launching of the first Ecuadorian CSIRT at the Universidad Técnica Particular de Loja.

+RAICES

LACNIC has been executing the + 2004 and has already promoted the installation of seven anycast copies of the F Root Server managed by the Internet System Consortium (ISC) within the region of Latin America and the Caribbean. With this initiative LACNIC seeks to overcome technological barriers by installing root server copies within the region in order to improve Internet access and make a relevant contribution to Internet stability.

Haiti gets a copy

Within the framework of the first LACNIC meeting of 2010 which was held in Curaçao (LACNIC XIII), an agreement was signed for the installation of an anycast copy of the F Root Server in Haiti, the second to be installed in the Caribbean region after the one installed in Saint Maarten in 2009. In this case, the Haitian Association for the Development of Information and Communication Technologies (AHTIC) will be the hosting organization.

This project is an example of the multistakeholder cooperation models promoted by the World Summit on the Information Society in which governments and private organizations can work jointly in benefit of Internet stability and growth within the region, models to which LACNIC is strongly committed.

Outstanding achievement award

Since 2009, LACNIC annually presents this award to members of the regional Internet community who have made significant and continuous contributions to the development of the Internet and the Information Society in Latin America and the Caribbean.



Carlos Afonso, 2010 Outstanding Achievement Award

The jury unanimously decided to grant the 2010 Outstanding Achievement Award to Carlos Afonso, Executive Director of NUPEF (Núcleo de Pesquisas, Estudos e Formação), Brazil.

The prize consists of a symbolic award plus US\$ 5.000. The 2010 Award was presented in the city of Quito, Ecuador, during the Regional Preparatory Meeting for the 2010 Internet Governance Forum (3-5 August).

Outstanding Achievement Award nominations are evaluated by a panel of experts specially summoned by LACNIC who have vast experience and a deep knowledge of the field. The judging panel for the 2010 edition was made up by: Ida Holz (Uruguay, 2009 Outstanding Achievement Award), Raimundo Beca (Chile), Sylvia Cadena (Colombia), Jesus Martinez (Cuba) and Jose Soriano (Peru).

International Community

Internet Governance Forum

As part of the Number Resource Organization (NRO), LACNIC participated in the Fifth Internet Governance Forum Meeting which took place in Vilnius, Lithuania, on 14-17 September 2010.

RIR staff were present at a stand set up in the exhibitors' area, from which they promoted the work and functioning of the NRO. In addition, workshops were conducted focusing on current IPv6 deployment and an outlook on the future of the new protocol during which different success stories of IPv6 implementation in the public and private sectors were presented, as well as a workshop on Resource Certification, among others.



"IPv6 Around the World" Workshop IGF 2010, Vilnius, Lithuania

At the main session on Critical Internet Resources, in representation of the NRO, LACNIC presented the IPv6 workshop materials, the recommendations suggested during the workshops, and the results of the IPv6 poll conducted in the five Regional Internet Registry communities, encouraging the different sectors to implement measures for the swift adoption of the new protocol.

During 2010 LACNIC acted as NRO Secretariat, an activity that rotates annually among the different RIRs, and was therefore in charge of organizing the meetings of the NRO coordination groups as well as those of the ASO Address Council (NRO NC).

39th ICANN meeting – 5-10 December, 2010, Cartagena de Indias, Colombia

For the first time, the NRO was present at an ICANN meeting with a stand in the exhibitors' area.

During the event the coordinated activities carried out by the Regional Internet Registries through the NRO were shared, as was the work that the RIRs have been carrying out for years within their respective regions in favor of IPv6 promotion and deployment. Information was also provided on how to become involved and participate in the development of Internet resource administration policies, as well as in the Resource Certification project on which the RIRs are working jointly.

In addition, the NRO Secretariat and the Communications Coordination Group provided their support to the ASO Address Council (NRO AC) session, where a summary of the activities relating to Internet resource distribution policies was presented, including all global and regional proposals currently under discussion.

Statement of assets and liabilities

As of December 31, 2010

(In U.S. Dollars)

	December 31, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS		
CASH AND BANKS (Note 2.6)		
Cash	701	897
Banks	483.218	339.236
	483.919	340.133
SHORT TERM INVESTMENTS (Note 2.9 y 4)		
Investments	1.322.551	432.231
ACCOUNTS RECEIVABLE (Note 2.7)		
Trade Debtors	917.538	885.683
Less:		
Deferred Income	(248.300)	(240.511)
Allowance for Doubtful Accounts (Note 2.8)	(9.929)	(18.022)
	659.309	627.150
OTHER RECEIVABLES		
Guaranty Deposits (Note 11)	71.796	60.284
Insurance to Fall Due	87.362	68.355
	159.158	128.639
TOTAL CURRENT ASSETS	2.624.937	1.528.153
NON CURRENT ASSETS		
FIXED ASSETS (Note 2.10 and Appendix I)		
Property, Plant and Equipment	2.012.867	1.908.861
Less: Accumulated Depreciation	(222.617)	(146.721)
	1.790.250	1.762.140
INTANGIBLES (Note 2.10 and Appendix I)		
Intangibles	103.241	16.808
Less: Accumulated Depreciation	(19.411)	(15.050)
	83.830	1.758
TOTAL NON CURRENT ASSETS	1.874.080	1.763.898
TOTAL ASSETS	4.499.017	3.292.051

The accompanying notes and appendix are an integral part of the financial statements

	December 31, 2010	December 31, 2009
LIABILITIES		
CURRENT LIABILITIES (Note 2.11)		
COMMERCIAL DEBTS		
Accounts Payable	96.002	33.181
FINANCIAL DEBTS		
Bank Loans (Note 6)	275.614	159.359
OTHER DEBTS		
Provisions for Employee Benefits	39.711	56.252
Benefits for Staff Retirement	8.356	11.640
Advanced Collections	94.061	60.827
Other Debts	93.890	181.933
	236.018	310.652
TOTAL CURRENT LIABILITIES	607.634	503.192
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS		
Bank Loans (Note 6)	912.527	476.934
TOTAL NON-CURRENT LIABILITIES	912.527	197.188
TOTAL LIABILITIES	197.188	980.126
EQUITY		
RETAINED EARNINGS		
Accumulated Surplus	2.302.386	1.789.190
Net Income of the Year	676.470	522.735
	2.978.856	2.311.925
TOTAL EQUITY	2.978.856	2.311.925
TOTAL LIABILITIES AND EQUITY	4.499.017	3.292.051

The accompanying notes and appendix are an integral part of the financial statements

Profit and loss statement

As of December 31, 2010

(In U.S. Dollars)

	Year ended December 31, 2010	Year ended December 31, 2009
OPERATING REVENUES		
Net Operating Revenues	2.939.588	2.345.164
	2.939.588	2.345.164
SELLING AND ADMINISTRATIVE EXPENSES		
Salaries and Contributions for Retirement	(887.781)	(736.181)
Travel and Training	(512.422)	(428.232)
Hired Services	(244.536)	(208.611)
Cooperation, Contributions and Memberships	(124.520)	(139.538)
Correspondence and Communications	(88.804)	(71.474)
Fixed Assets Depreciation	(80.256)	(67.644)
Dissemination Expenses	(155.327)	(143.053)
Stationery and Other Office Supplies	(47.082)	(24.534)
Electric Power and Water	(16.847)	(12.244)
Insurance	(9.900)	(17.383)
Other Expenses	(71.407)	(19.378)
	(2.238.882)	(1.868.272)
OTHER RESULTS		
Other Income		63.839
Other Expenses	(1.250)	(8.128)
	(1.250)	55.711
FINANCIAL RESULTS		
Interest Paid	(57.254)	(72.518)
Interest Income	43.453	33.350
Differences of Investment Valuation	16.710	33.762
Exchange Differences	(25.895)	(4.462)
	(22.986)	(9.868)
NET INCOME OF THE YEAR	676.470	522.735

The accompanying notes and appendix are an integral part of the financial statements

INDEPENDENT AUDITORS' REPORT

To
**Directors and Members of the General Meeting of
 Registro Regional de Direcciones IP para América
 Latina y el Caribe (LACNIC)
 Montevideo - Uruguay**

Report on the Financial Statements

1. We have audited the enclosed Statements of Assets and Liabilities of **Registro Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** as of 31st December 2010, and the related Statement of Profit and Loss, Changes in Shareholders' Equity and Cash Flows, stated in United States Dollars for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements.

2. Management of **Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining an internal control relevant to the preparation and fair presentation of the financial statements that should be free from material misstatement, either due to fraud or to error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, either due to fraud or to error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Auditors' Report

I/II

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RSM International

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

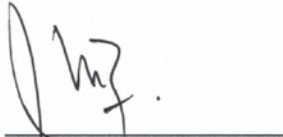
Opinion

6. In our opinion, the financial statements present fairly, in all material aspects, the financial position of **Registro Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** as of December 31st, 2010 and the results of its operations, the changes in its shareholders' equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Limitation of Use

7. The purpose of this report is only for information and use of the Management of **Registro Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** and it must not be used for any other purpose.

Montevideo, 9th March 2011.



Cr. Jorge Gutfraind
UNITY – RSM International
C.P. 32.922



FISCAL COMMISSION'S REPORT

(Free translation of the original document in Spanish)

According to the provisions of Article 27, Item (c), of the approved and valid Bylaws of the LATIN AMERICAN AND CARIBBEAN INTERNET ADDRESS REGISTRY (LACNIC), a meeting of the Fiscal Commission is held, with the presence of Cassio Vecchiatti, Gabriel Adonaylo and Adriana Ibarra Vázquez.

In view of the above, a report is issued in reference to the Financial Statements corresponding to the term ended December 31, 2010, and the Independent Auditor's Report.

Conclusions

ONE – The results of the audit carried out by UNITY, in their capacity as independent auditors, in relation to the Financial Statements corresponding to the term ended on December 31, 2010, were reviewed. The result of said audit has been favorable and the referenced financial statements reasonably represent, in all significant aspects, LACNIC's financial situation as at December 31st, 2010.

TWO - Based on the analysis of the external audit report prepared by the Control Organ and the documentation submitted by or requested from LACNIC, it is our conclusion that the information we have been presented truthfully reflects LACNIC's financial situation as at December 31, 2010, and therefore we advise its approval by the General Assembly under the provisions of LACNIC's Bylaws.

Montevideo, Uruguay 24 March, 2011

Fiscal Commission

Cassio Vecchiatti

Gabriel Adonaylo

Adriana Ibarra Vázquez



Participate in LACNIC

Through the mailing lists

Subscribing to the Policy mailing list (politicas@lacnic.net) allows you to submit proposals for their consideration and discussion at the Public Policy Forum, or simply to keep up to date on the issues that are under discussion and share your opinions.

Subscribing to the Announcements list (anuncios@lacnic.net) allows you to receive information on all the activities organized by LACNIC, from meetings and training workshops, to financial assistance programs, calls for proposals, and the latest news on the regional and international Internet community.

Subscribing to LACNIC's newsletter (newsletter@lacnic.net) allows you to receive complete information on all the organization's activities and Internet community highlights.

Participating in other mailing lists such as the IPv6 mailing list (lactf@lacnic.net), the Security mailing list (seguridad@lacnic.net), the Interconnection mailing list (napla@lacnic.net), and the LACNOG mailing list (lacnog@lacnic.net) will allow you to exchange experiences and discuss with other people like yourself who work on, or are interested in, these issues.

To subscribe to the mailing lists, please go to:
<http://www.lacnic.net/en/lists>

Through face-to-face meetings

LACNIC organizes two meetings each year during which, in addition to participating in technical workshops, you will have the opportunity to meet and exchange ideas and experiences with other colleagues from the telecommunications industry, as well as to participate in various activities and forums focusing on Internet development and stability in the region of Latin America and the Caribbean.

Each year's second meeting is held jointly with the meeting of LACNOG, the Latin American and Caribbean Network Operators Forum. This forum promotes the discussion and exchange of technical information relating to network infrastructure and the discussion of technical implementation issues and operating practices among the members of the regional community.

AMPARO workshops provide an opportunity to train a team of people from your organization so that they can prevent and respond to computer security incidents. (Computer Security Incident Response Teams or CSIRTs).

Participating as a LACNIC member

You have the opportunity to make your voice heard by participating and voting at member assemblies, annually electing the members of LACNIC's Board of Directors through electronic voting mechanisms, as well as members of the organization's independent bodies such as the Fiscal and the Electoral Commissions.

Don't miss this opportunity, get in touch with LACNIC and become a part of this community.



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Membership Information: **membresia@lacnic.net**
Institutional Cooperation: **cooperacion@lacnic.net**