

2006 Annual Report 2006 Annual Report



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2006

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LACNIC administrates and allocates IP Addresses and related resources (Autonomous System Numbers and Reverse Resolution) for Latin America and the Caribbean in a responsible manner, guaranteeing equal-opportunity access to these resources for all the Internet operators within the region through the application of community service criteria. One of LACNIC's main objectives is to contribute to the development of the Internet within the region, promoting and defending the interests of the regional Internet community and cooperating for the generation of conditions such that will allow the Internet to become an effective instrument of social inclusion and economic development for all the countries and citizens of Latin America and the Caribbean.

Vision

“To be a leader in the construction and articulation of collaborative efforts for Internet development and stability in Latin America and the Caribbean”

Mission

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

- the excellence and quality of the services provided to our clients,
- constantly perfecting an impartial, participative and transparent self-regulation model,
- the adoption and promotion of technological advancements and standards within the industry,
- strengthening the relationships with the main stakeholders of the Internet within the region,
- the development of regional capabilities through training and the transmission of Internet-related technology.

About LACNIC

LACNIC, the Latin American and Caribbean Internet Addresses Registry, is the organization responsible for allocating and administrating IP Addresses and related resources (Autonomous System Numbers and Reverse Resolution) for the region of Latin American and the Caribbean. It is one of the five Regional Internet Registries that exist worldwide.

LACNIC Activities and Services:

- IPv4 Address Allocation
- IPv6 Address Allocation
- Autonomous System Numbers Allocation
- Training Activities
- Public Policy Forum
- Annual Member Assembly
- Coordination and Participation in Cooperation Projects

LACNIC operates on the basis of a self-regulation model whereby Internet resource administration policies are developed openly, transparently, and based on participative processes.

Organizational Structure:

LACNIC is an international non-profit organization established in 2002, the headquarters of which are located in Uruguay. It is administrated and managed by a Board of Directors made up by five individuals elected by the member organizations.

LACNIC's main strength has always been its human resources, a team of individuals willing to innovate and take the necessary qualitative and quantitative steps in a permanent training effort.

The type of activities and tasks carried out by LACNIC are extremely varied in nature, a fact that has led us to develop a polyvalent and multitasking organizational culture aimed at working simultaneously and in real time, which translates into the services that are necessary for the institution's daily operations.

During 2006, LACNIC's Board of Directors had the following composition:

Name	Position	Country of Residence	Term Ends
Oscar Messano	President	Argentina	December 2008
Fábio Marinho	Vice-President	Brazil	December 2007
Oscar Robles	Secretary	Mexico	December 2008
Javier Salazar	Deputy Secretary	Mexico	December 2007
Hartmut Glaser	Treasurer	Brazil	December 2006
Jesús Martínez	Deputy Treasurer	Cuba	December 2006
Raúl Echeberría	Executive Director	Uruguay	

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

***Hartmut Glaser (Brazil) and Carlos Neira (Colombia) were elected to occupy the two vacancies on the Board of Directors starting in January 2007, for a term of three years.**

LACNIC's operations focus on three main areas:

- Administration and Finances
- Technical Department
- Policies and External Relations

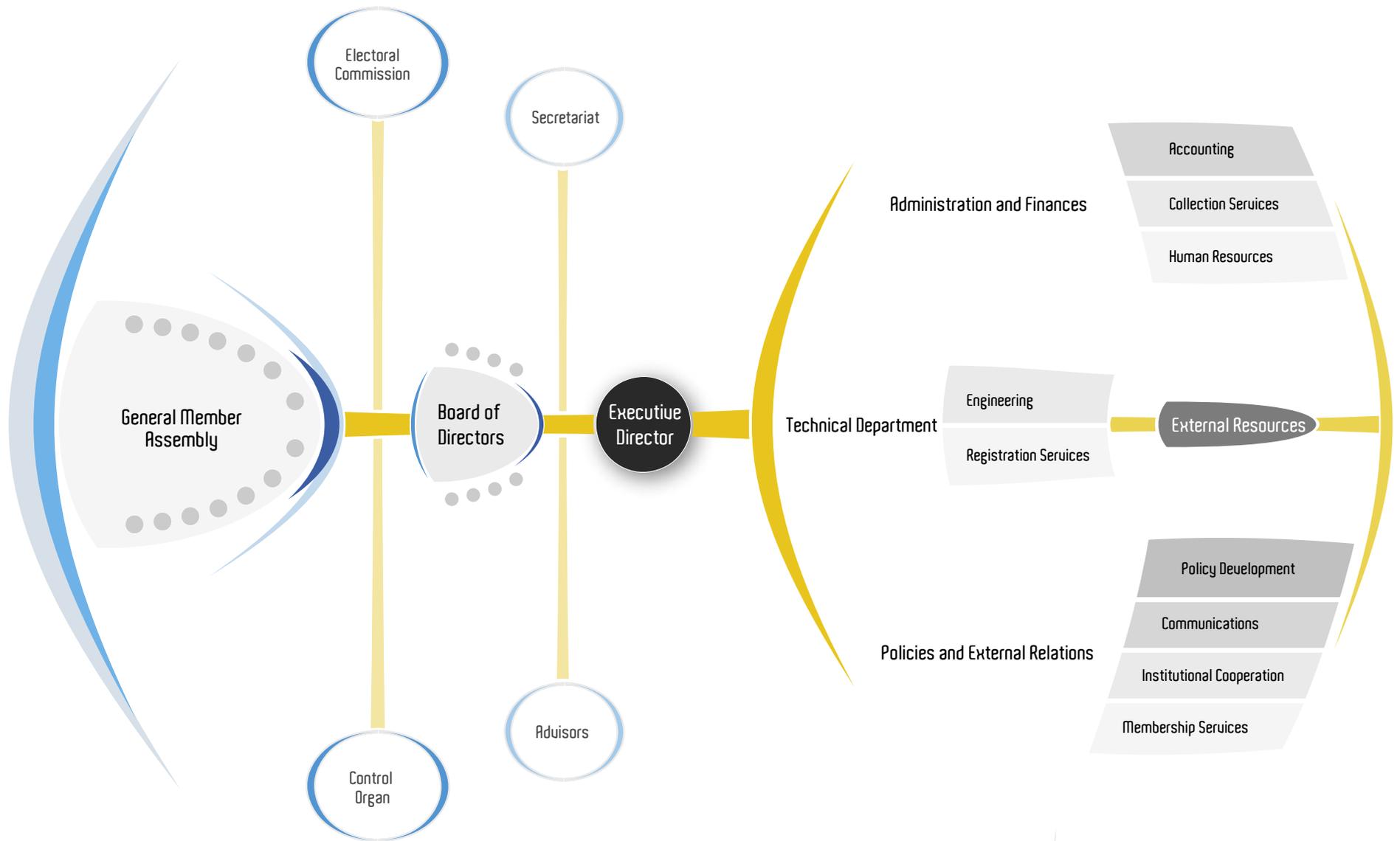
The Administration and Finances area is in charge of LACNIC's financial health, and of providing invoicing and collection services to our clients.

The Technical Department is responsible for processing Internet resource applications, equipment maintenance, and developing the software necessary for the services offered by LACNIC.

The Policies and External Relations area coordinates actions in relation to four basic functions: Policy Development, Communications, Membership Services, and Institutional Cooperation.



Institutional Organization



Message from the President

The introduction to this Annual Report of LACNIC's activities represents an excellent opportunity to reflect about ourselves, the organization, our achievements and the challenges that await us in the future.

This year undoubtedly presented countless challenges. However, it was also a year marked by enormous achievements and advances in terms of global and regional political incidence, our institutionalization and an important increase of our institutional assets.

This is the first annual report that LACNIC presents from its own headquarters. This achievement has doubled our worth and means we have increased our material assets five-fold since we began providing services in the region. It is yet another symbol of the progress we have made towards the consolidation and institutionalization of LACNIC.

A detailed look at the present allows us to use it as a springboard and take the quantitative leap towards the future required from us by the community. Let us review some of our most important achievements.

- As a result of the Policy Development Process and the consensus that were reached, LACNIC's Board of Directors has ratified the implementation of four new regional policies;
- In addition, new annual membership fee reductions have been possible, reductions that range from 5% to 15% and that came into effect on October 1st, 2006;
- The new IPv6 address space allocated to the region allows each individual in our region to have, from the moment this measure comes into effect, the equivalent of 8.129.240 IP addresses;
- Within the framework of the project for installing copies of the F Root Server in the region serviced by LACNIC, we have installed three new root servers through a joint effort with national organizations, thus strengthening our relationships;
- Strengthening our strategic alliance policy, consolidating the Regional Fund for Digital Innovation in Latin America and the Caribbean

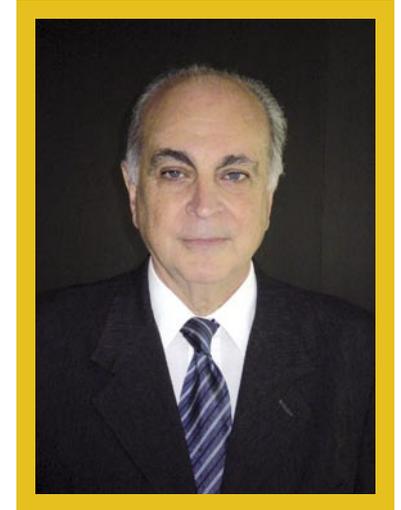
(FRIDA), we have sponsored and provided financial support to numerous regional projects;

- During this period, through its participation in a variety of international fora, LACNIC has had a relevant voice and influence on numerous issues such as Internet governance.

As we have done since our creation, we will continue to provide logistic support to numerous regional initiatives such as CLARA, LACTLD, eCom-LAC, the Latin American IPv6 Forum (FLIP-6) and many others, a policy which we hope to continue to develop in the future.

This has been a year filled with achievements; I believe we should congratulate ourselves.

Oscar A. Messano
President of the Board of Directors



Oscar A. Messano
President of the Board of Directors

Message from the Executive Director

Facing the Future

The Latin American and Caribbean Internet Address Registry (LACNIC) was born in the year 2001 as a consequence of the joint pioneering efforts of all the actors involved in building the Internet within the region.

After four years of operation, LACNIC has consolidated its position within the region. In 2006 the organization doubled its material assets, a fact that means it has grown more than five-fold since its creation. Our new offices, which were opened in December 2006, are a tangible indicator and symbol of our achievements and growth.

The development of new innovation and convergence technologies must find us prepared for constant growth in terms of the addresses and new services that will be required. We will be faced with more complex problems which will require from our institution an ever-increasing effort that can only be supported through more work and innovation.

Attempting to assess the road we have already traveled and prepare for present and future challenges, in 2006 we began the LACNIC strategic planning process for 2007-2009, which has allowed us to revise our actions and projections.

During this new stage LACNIC is faced with the need to administrate the growth it has achieved through a strong effort in relation to staff training and improvement of both internal as well as external processes.

For the near future, LACNIC will be required to have growing incidence on regional and global policies. This implies that institutional cooperation actions must be strengthened even further if we are to effectively cooperate with the development of the Internet in Latin America and the Caribbean. An example of this cooperation is our commitment to the fulfillment of the goals established in the Regional Plan of Action for the Information Society, the document that has been called eLAC 2007.

This includes strengthening our policy of generating strategic alliances with national, regional and global organizations, be they academic, private, government or civil society, that will allow us to carry forward actions that promote educational opportunities, fund research for regional development, support the consolidation of other organizations, promote the creation of fora, cooperate in the discussion and application of adequate policies and criteria, and support the concretion of initiatives aimed at consolidating the regional Internet infrastructure.

LACNIC has translated all of this into a three-year project. It is the direct result of our strategic planning process for 2007-2009 and the general framework within which to assess what has already been done and, particularly, the challenges we will be confronting in the future. These are attainable goals and they will be reevaluated every year.

If all of the above is to be achieved, LACNIC must resort to its capacity for innovation. This new phase involves innovation in terms of how information is managed, the technologies that are used, our partners and priorities, as well as in terms of an image that is reformulated in correspondence with our constant and sustainable growth.

It has been a pleasure to share these thoughts and ideas. You are the companies and individuals that are making it all possible.

Raúl Echeberria
Executive Director - CEO



Raúl Echeberria
Executive Director - CEO

Promoting the Regional Community's Participation

Policy Development: an essential, open and participative process

The distribution of Internet resources in Latin America and the Caribbean is subject to a series of rules and criteria that together make up what are defined as Policies.

According to our institution's vision and mission, the Policy Development Process is based on participative processes that are transparent and open to all interested parties. The process is initiated by the community itself, as through mailing lists and face-to-face meetings it proposes, analyzes, debates and seeks consensus to establish the new criteria that LACNIC will apply for the distribution of Internet resources.

462

Subscribers to LACNIC's Policy Mailing List in 2006

Self-Regulation

The greatest value of the current Policy Development Process is the self-regulation opportunity offered by the model. According to this model, the task of LACNIC's staff is to provide logistic and secretarial support, while decision-making responsibilities lie in the hands of the Internet community of Latin America and the Caribbean.

LACNIC's Public Forum Moderator

The Moderator is elected by LACNIC's Public Forum.

Election: May 25, 2006, LACNIC IX, Guatemala.

Results: Christian O'Flaherty was reelected to serve a two-year term.

Term began: October 28, 2006 / Term ends: October 27, 2008

LACNIC's Policy Development Process



Policies Discussed at LACNIC IX

During the LACNIC IX meeting held in Guatemala City, a total of nine policy proposals were discussed for their implementation in the region: **Privacy of WHOIS Database Information; Recovery of Unutilized Internet Resources by LACNIC; Size of Additional Allocations; Implementation of 32-bit Autonomous System Numbers; Modification of the IPv6 HD Ratio; Implementation of HD Ratio in IPv4; Modification of the Size of IPv6 Assignments; IPv6 Allocation to End Users; Micro-Allocations to Critical Infrastructure.**

After strictly following the Policy Development Process, four of these new proposals were ratified during 2006:

Recovery of Unutilized Internet Resources by LACNIC

The aim of this policy is to safeguard the adequate use of Internet resources in the region. This new criterion addresses the different situations that may arise and specifies the steps that LACNIC must follow in order to recover Internet numbering resources that, according to this policy, are considered unutilized.

Size of Additional Allocations

The previous criterion established that the size of additional IP address allocations was limited to the volume necessary for operating during a period of 3 months. The new policy changes the time frame from 3 to 12 months, thus allowing the allocation of larger IP address blocks and consequently making it possible for applying organizations to better plan their networks.

Implementation of 32-Bit Autonomous System Numbers

This new policy establishes the creation of new AS Numbers as an alternative to the traditional 16-bit ASNs, which will allow increasing the volume, and consequently the global availability, of this resource. Organizations requesting this resource will be able to choose between 32-bit or 16-bit Autonomous System Numbers; the latter will continue to be allocated in the usual manner.

Modification of the IPv6 HD Ratio

The allocation of additional IPv6 address blocks is evaluated in terms of the proper use of prior allocations. In turn, this proper use is determined applying a mathematical formula, the result of which is known as the HD Ratio. According to the new criterion, the HD Ratio value that is acceptable for the allocation of additional blocks changes from 0.8 to 0.94. This new policy will allow a better optimization and usage of the IPv6 blocks that are already allocated.

Electronic Fora: spaces for growing and sharing information

The electronic fora coordinated and technically supported by LACNIC have been essential tools for helping the community reflect collectively on key issues having to do with sustainable development and Internet resource policies for the region.

These fora have proved to be broadly accepted and sparked positive repercussions on the part of the Internet community. They have contributed to the generation of regional policies relating to the administration of Internet resources, while simultaneously contributing in terms of investigation, exchange of experiences in technological developments and affecting the construction of the Information Society at regional and international level.

Currently there are four mailing lists in operation that allow all interested parties to exchange experiences and information, to build relationships and to share knowledge on key issues within our community. They are the Policies, NAPLA, Network Security, and LAC IPv6 TF mailing lists. To subscribe, please visit LACNIC's website:

<http://www.lacnic.net/en/lists.html>

In addition, constantly publishing relevant information through our Announcement mailing list has contributed to spread within the region important material that promotes, among other things, opportunities to participate with the different stakeholders of the Internet in Latin America and the Caribbean.



LACNICIX
22/26 MAY 2006 GUATEMALA - GUATEMALA

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

180 attendees

69 LACNIC members

20 countries of the region represented



This year, LACNIC's ninth meeting was held in Guatemala City, Guatemala, on May 22-26. Just as during its previous editions, LACNIC IX served as a meeting point for several regional initiatives. It is where we held our General Annual Assembly and the meetings of LACTLD, LAC IPv6 TF, NAPLA, eCOM-LAC and the Network Security Group took place.



Our Host in LACNIC IX

Our annual meeting, LACNIC IX, was hosted by OSI, a Guatemalan company devoted to providing integral telecommunications solutions that is a member of LACNIC. OSI provides connectivity services to Guatemalan ISPs, commercial clients, companies, industries and educational centers. The excellent organization and support provided by OSI allowed this ninth edition of our meeting to be a great success, both in terms of its organization as well as in terms of the results that were obtained.

Scholarship Program

Continuing with its efforts to support the regional community, LACNIC implemented for the second consecutive year a Scholarship Program for providing financial support to members of the Internet community interested in participating in LACNIC's annual meeting. Scholarships included: registration fee exemption, accommodation expenses and/or air travel expenses for a total amount of US\$ 15,000.

Scholarships

89

applications received

29

scholarships granted

16

countries of origin

15.000

dollars applied to scholarships

Regional Meeting Platform

Year after year LACNIC annual meetings are consolidating their position as the most important meeting for the organizations in charge of regional Internet stability. On this opportunity the following organizations and communities joined us in Guatemala.

LACTLD



The region's ccTLDs also held their General Assembly on May 22-23. During this meeting there were technical presentations on the state of the art of DNS, working meetings with ICANN staff, discussions on regional WHOIS policies, as well as the election of new representatives.

IPv6 Working Group (LAC IPv6 TF) and Latin American IPv6 Forum (Flip-6)



It is a well known fact that the objective of FLIP-6 is to promote and encourage the adoption of the IPv6 Protocol in the region of Latin America and the Caribbean, as well as the exchange of commercial and academic experiences relating to the implementation of services and applications based on IPv6 within our region. During its fourth edition, eight successful applications of the new protocol in seven different countries were presented.



IPv6 practical tutorial during LACNIC IX in Guatemala City; May, 2006.



LACNIC IX Public Forum in Guatemala City, May 2006.

NAPLA, Regional Interconnection Forum

NAPLA (the Regional Interconnection Forum) held its fifth meeting in Guatemala. This forum is a meeting place for Latin American Network Access Point (NAP) operators.

Analyzing the feasibility and need for a regional interconnection plan – which has been a dream since this technology was introduced in the region – was the main issue discussed at this session, where proposals and experiences relative to this ambitious project were presented. A second discussion phase is scheduled to be held during the LACNIC X meeting, in 2007.

Latin American Network Security Forum

One of the greatest concerns of the community is, undoubtedly, Internet development and stability in Latin America, which is being compromised by increasing problems having to do with security, SPAM and organized abuse of the way Internet has functioned historically.

LACNIC has been providing support to different regional initiatives having to do with security, which enabled the first regional network security forum to meet in Guatemala. In response to an invitation extended by our organization, Steve Crocker, an Internet pioneer in charge of the ICANN Internet Security and Stability Advisory Committee and creator of the first RFC, participated in this first session of the forum.

At this first meeting, one that brought together the region's leading experts, the issue that was highlighted was the urgent need to create a CERT and CSIRT for adequately handling network security incidents and effectively coordinating the different national initiatives. There were presentations and discussions aimed at clarifying the relevance of CERTs and CSIRTs, the roles that Internet Service Providers must have in relation to security, the types of intraregional coordination that must exist, and their characteristics.

General Annual Member Assembly

In fulfillment of the provisions of the organization's bylaws, LACNIC held its General Annual Member Assembly. The Assembly generated the following resolutions:

Remote Voting

The Board of Directors was charged with investigating the possibility of implementing remote voting mechanisms in General Member Assemblies. This includes the analysis of LACNIC's bylaws and their possible modification so as to allow the implementation of this mechanism.

Consultation Rounds

The Board of Directors was charged with initiating consultation rounds with all regional actors interested in the issue of Internet numbering resource administration, including an open consultation round for receiving comments. They were also charged with inviting all regional actors interested in the issue of Internet resource administration to participate actively and become involved in LACNIC's discussion and participation processes, including its mailing lists and open annual meetings.

Webcasting

All the events that were held simultaneously in Guatemala City, as well as debate details, notes and webcasting files are available at:

<http://www.lacnic.net/en/eventos/lacnicix/index.html>

During the event, it was possible to follow the sessions live via webcasting through 6 different connection options:

- Windows Media over IPv4 in spanish
- Windows Media over IPv4 in english
- Windows Media over IPv6 in spanish
- Windows Media over IPv6 in english
- Real Media over IPv4 in spanish
- Real Media over IPv4 in english

A maximum of 43 simultaneous connections was registered.

Reduction of Membership Fees

LACNIC Membership Fees were modified, both for initial payments as well as for renovations of Medium, Small and Micro category members. The reductions were as follows:

Category	Adjustment (%)	Current Fee	Future Fee
Medium	5 %	USD 5.000	USD 4.750
Small	10 %	USD 2.000	USD 1.800
Micro	15 %	USD 1.000	USD 850

Membership fees for the remaining categories remained unchanged at their current values. These new membership fees came into effect on October 1st, 2006.

Finally, the Assembly decided to grant, starting on October 1st 2006, a 50% discount on the membership fees and cost of the services LACNIC provides to non-government, non-profit organizations that, as determined by LACNIC, may be considered End Users.

Institutional Consolidation

Designing the Future

For the next three years, LACNIC considers it of the utmost importance to capitalize on the knowledge we have accumulated through the rich and varied experience gained while promoting Internet development within the region.

We have begun a long term Strategic Planning process that will allow us to improve LACNIC's strategic orientation process for the next three years. As a result, the main challenges, risks and opportunities the LACNIC community will have to face during the next three years were established, as were the actions we will have to develop within that scenario.

This stimulating internal process, fruit of our shared vision, has allowed us to refine the organization's mission for the next three years, which will be marked by growth, constant improvement and training of our staff.

These actions will be carried out jointly with the important network of individuals, private and public organizations, platforms, and cooperation agencies that make up our reference group and which we support institutionally.

LACNIC is aware that the internal changes it proposes to implement require a high level of creativity, innovation and renovation. Likewise, LACNIC is also aware that it has accumulated vast institutional experience oriented towards affecting and promoting technological development.

Based on the analysis of our strengths and weaknesses, and assuming the demands and challenges posed by the political and technical regional and international contexts, during our fourth year of existence we have faced a stimulating institutionalization and redesign process that, in 2006, allowed us to have a structure more functional for generating and offering new products and services to our members and the community as a whole. This process will continue during 2007, constantly aiming at institutional consolidation, having incidence on policies, and transverse actions for promoting the development in our region of reference.



Evolution and Innovation in Our Services

Improving Our Infrastructure

Seeking to provide high-quality services and to make our systems available to our users, as part of our continuous innovation process, LACNIC began renewing its most critical servers at the end of 2006.

These servers provide services such as DNS, e-mail, web, whois and also support the database that contains the information on Internet resources in Latin America and the Caribbean and LACNIC members. In addition to these improvements, a new and larger Data Center was built at LACNIC's new headquarters in Montevideo to house other equipment responsible for providing services that are important for LACNIC's operation and administration. This recently installed modern technological complex, completely redundant in terms of power supply as well as in terms of communication links, is maintained by highly specialized technical staff.

During 2006 we maintained our cooperation agreement with NIC Brazil which allows LACNIC to keep a copy of the services at Sao Paulo and provides technical support for the services provided by LACNIC.

Technical support to LACNIC users is managed through a sophisticated ticketing system that allows an efficient follow-up of reported problems.

The complex and polyvalent infrastructure consisting of physical servers, logistics and communications is closely related to the department of Administration and Finances, thus constituting a harmonious working unit the purpose of which is to satisfy user demands.

Working on the Technological Frontline

In 2006 we have worked towards being able to implement at LACNIC a Certificate Authority (CA) with the aim of issuing personal digital certificates according to X.509 (RFC 3280). The object of implementing this service is to allow access to different LACNIC systems through user authentication based on his/her digital certificate and not only on username and password, thus raising the security levels required by current standards.



LACNIC also participated actively in a working group created by the five Regional Internet Registries (RIR) with the aim of studying the differences between the IPv4 block analysis and allocation practices used by different RIRs. The aim of this working group is to identify means to harmonize these practices and recommend actions to achieve a higher degree of consistency among IPv4 block allocation criteria applied by the five RIRs. The consequence of this harmonization will be a more equal-opportunity access to resources at global level, without any region having privileges over another. This group will continue working during 2007.

As in previous years, LACNIC's Engineering team has been actively involved in IETF Working Group activities, mainly:

- CRISP (Cross Registry Information Service Protocol). It is believed that the CRISP Project will be the substitute for the WHOIS service.
- SIDR (Secure Inter-domain Routing), which discusses security requirements for the BGP routing system, such as the use of digital certification for routing information.

Likewise, LACNIC worked on an activity coordinated under the NRO Engineering Coordination Group (ECG) for deactivating the ip6.int domain which was initially created for IPv6 reverse resolution but has been replaced by ip6.arpa. The ip6.int domain was retired on June 1st, 2006.

The Engineering team was also involved in database and whois server updates necessary to support 32-bit ASN, the allocation of which was approved by the latest LACNIC Public Forum in Guatemala.

Contact with LACNIC Members

In 2006 we established direct contact with our associates, a fact that allowed us to update information while at the same time listening to their concerns and providing information on LACNIC events and activities. This year we were able to interact, through diverse means, with 97% of LACNIC's members.

New Invoicing System

During 2006 the Administration and Finances department implemented a new invoicing system which has allowed a qualitative improvement in terms of administration and customer service. This system translates into a new level of coordination among the different tasks carried out by the department: collections, accounting, payments and customer service.

LACNIC News

Information Bulletin for the Internet Community of Latin America and the Caribbean

Prepared by LACNIC staff, each edition of the LACNIC bulletin reports on the activities, projects and improvement of the services we provide our members and the entire Internet community. Every edition contains reports, proposals, technological articles, and news from all around the region and the other four Regional Registries (RIR) that provide services in different regions.

<http://www.lacnic.net/en/sobre-lacnic/newsletter.html>



LACNIC Opens New Headquarters



Racing against time, in late December, 2006, we opened the doors of the new headquarters of the Latin American and Caribbean Internet Address Registry (LACNIC).

Headed by the Vice-President of the Oriental Republic of Uruguay, Mr. Rodolfo Nin Novoa, a large number of representatives of the national government attended the ceremony; among others Mr. Jorge Lepra, Industry Minister of Uruguay, and a numerous group of national and international authorities.

In his welcoming speech, the organization's Executive Director highlighted the fact that "LACNIC began in a 12 square meter office with a tight budget of 150 thousand dollars; today we have these beautiful headquarters, and manage an annual budget of 1.5 million dollars, figures that double our institutional net worth and increase five-fold out budget within the four years that have gone by since the institution was created."

The international community was also present at this important occasion, through the attendance of Markus Kummer, Secretary of the Internet Governance Forum (IGF), and Richard Hill, representing the International Union of Telecommunications (ITU). Headed by Paul Twomey, ICANN President and CEO, an important ICANN delegation also made itself present at the event, as well as colleagues and directors of the other Regional Internet Registries such as Ray Plzak, ARIN President and CEO, and Axel Pawlik, RIPE NCC CEO. Also in attendance were RIPE NCC Directors Jim Reid and Janos Zsako, as well as AfriNIC Directors Kenny Yitong and Alan Barret. All our guests were witnesses to the consolidation of our institution.

The regional community also accompanied us at the opening ceremony through the presence of LACNIC members and representatives of government, academic and civil society sectors, as well as several pioneers of Latin American networks, who reunited at LACNIC's new offices.

The Data Center at LACNIC's new headquarters is equipped with infrastructure specifically designed and managed for equipment housing. Servers have been replaced and redundant connections will be installed. This infrastructure guarantees a high level of service with multiple redundancies in terms of security, power supply and communications.

Conceived as a state-of-the-art technological center, these modern facilities will allow LACNIC to embark on new activities and perform more effectively the functions it carries out in benefit of its members and the community in general.

Location:	Rambla República de México 6125 Montevideo, Uruguay
Property Area:	1200m ²
Constructed Area:	450m ²
Architects:	Mario Detomasi Carlos Mussini
Project Follow-up:	Nicolás Quagliata



Left to right: LACNIC Directors Jesús Martínez, Oscar Messano, Fábio Marinho and Javier Salazar; Vice-President of the Oriental Republic of Uruguay, Rodolfo Nin Novoa; and LACNIC Executive Director Raúl Echeberria at the opening of the new LACNIC headquarters on December 11, 2006.



Left to right: Javier Salazar, Jesús Martínez, Hartmut Glasser and Oscar Messano, LACNIC Directors; Rodolfo Nin Novoa, Vice-President of the Oriental Republic of Uruguay; María Simón, President of Antel; Fábio Marinho, LACNIC Director; Jorge Lepra, Industry Minister of the Oriental Republic of Uruguay.



Oscar A. Messano, President of LACNIC's Board of Directors, during the opening speech at the new headquarters.



With Raúl Echeberria, Internet pioneers of Latin America: Julián Dunayevich, Ida Holz, José Soriano, Florencio Utreras, Estela Barone.

Promoting Regional Development

Network Access Points

LACNIC strongly supports the consolidation and strengthening of NAPs as key actors for regional Internet development. NAPs are associative experiences developed by local Internet service providers and operators with the aim of performing traffic exchanges, allowing traffic flows among their networks to be faster and more efficient while minimizing the volume of data routed through international channels, which in turn represents savings.

As during previous years, in 2006 LACNIC provided important logistic support for the preparation of the NAPLA 2006 annual meeting. This edition was characterized by the exchange of experiences on NAP management, while continuing the promotion of issues relating to critical Internet infrastructure and traffic in Latin America and the Caribbean, such as the debate on the implementation of a Regional Interconnection project.



Critical Internet Infrastructure, +RAICES Project



+ RAICES: Result of the agreement between the ISC (Internet System Consortium), global operator of the F Root Server, and LACNIC for installing mirror copies of the F Root Server in this region.

Total Investment: USD 150 thousand (in 3 years)

LACNIC: Guarantees resources and maintenance during the first 2 years, promotes agreements for the installation of new copies.

Local Organization: Provides the equipment necessary for installing the Root Server copy.

ISC: Installs copies and performs Server maintenance.

**As a result of negotiations carried out by the ISC, CISCO has provided equipment to some of the local hosting organizations in each country.*

Location	Date of Installation	Organization	Sector
Santiago de Chile, Chile	December 2005	Nic Chile	Academic
Buenos Aires, Argentina	August 2006	Cabase	Private
Caracas, Venezuela	October 2006	CNTI	Government
Quito, Ecuador	Implementation in 2007	Aeprovi - Nic EC	Private
Panama City, Panama	Implementation in 2007	Universidad Tecnológica de Panamá	Academic





FRIDA – Investigation in ICT for Latin America and the Caribbean

The FRIDA program (Regional Fund for Digital Innovation in Latin America and the Caribbean) is an initiative of LACNIC, Pan Americas/IDRC and ICA, with participation of the Internet Society (ISOC) and the Global Knowledge Partnership (GKP), to promote research development in countries of the Latin American and Caribbean region within the field of Information and Communication Technologies (ICT). It operates as a Competitive Project Fund that provides financial support in the form of small grants to projects developed by regional research teams.

Successful Completion of the First Phase of the FRIDA Program (2004-2006)

After two years of execution, today FRIDA's webpage shows the results of the drive the program has injected into ICT research within the region. The results there presented testimony the diversity of the projects that were funded. Investigations on access, use and appropriation of these technologies, construction of methodologies, creation of tools, integration of employment policies, are a sample of the joint effort of diverse institutions and individuals (contributors, mediators, investigators, evaluators) to build a broad and inclusive investigation agenda.

In 2006, a summons was made for the diffusion of project results. As a result, six proposals were selected and benefited with sponsorships that allowed their executors to present their results in relevant regional arenas. Another group of actions that were carried out relate to FRIDA's External Evaluation, for which task Dr. Sybil Caballero of Venezuela was selected. Acting as external consultant, Dr. Caballero, performed an independent in-depth analysis of the FRIDA Program, within the framework of which different groups of stakeholders (beneficiaries, evaluators, executors) were consulted and which provided important knowledge tools for designing a future phase.

The success of this program, which ended in 2006, generated great expectations among the community in relation to its continuity. For this reason, we have carried out negotiations with the contributing organizations that will allow us to continue with a second phase of the program which will begin in 2007. This new phase will involve more resources than the previous phase. It will also allow the program to intensify actions in relation to strengthening institutional capacities (training) and the diffusion of research results, actions that in turn will promote the reconciliation of different technical and political views on ICT with the aim of generating direct impacts on our region's reality.

Proposals received:	479
Number of projects that received funding:	26
Number of projects that have been completed:	26 (18 during 2006)
Countries of the region that received funds:	13
Project administrator:	LACNIC
Total funds provided:	USD 480.000
Subjects covered by the projects:	wireless connectivity, IPv6, e-learning, network and e-mail security, employment promotion and competitiveness, digital inclusion, municipal management, robotics for children, GRID, among others.
FRIDA website:	http://www.programafrida.net

Cooperation for Regional Internet Development

The successful execution of FRIDA and +Raices, two projects that have jointly distributed over 600 thousand dollars transversely throughout the entire region through the funding of 26 investigation projects and the installation of the first 3 Root Servers, was part of the policy for cooperation and promotion of opportunities for the Internet community of Latin America and the Caribbean that LACNIC has carried out during its first four years of existence.

The Strategic Plan the institution will implement during the next three years will emphasize LACNIC's actions for promoting educational activities, funding investigations for regional development, and supporting the consolidation of other organizations that work towards Internet development in Latin America and the Caribbean.

Supporting the Institutionalization of the Internet in the LAC Region

By supporting other regional organizations; facilitating their establishment, consolidation and legal incorporation; providing support in relation to administration and management of funds; and promoting the realization of meetings simultaneously with the annual LACNIC event, we are contributing to the

institutional strengthening of other organizations that work towards Internet development in Latin America and the Caribbean.

This is the case of the activities carried out together with CLARA (Latin American Coordination of Advanced Networks), LACTLD (Organization of Latin American and Caribbean ccTLDs), and eCOM-LAC (Latin American and Caribbean Federation for Internet and Electronic Commerce), organizations with which we have been working since 2003.

In the specific cases of CLARA and LACTLD, we have subscribed agreements that since 2006 allow members of the staff of these organizations to work using LACNIC's facilities.

Influencing Public Policies

LACNIC is not only a regional organization in constant process of consolidation; it is also the broadly diverse community that we service. For them, our community, 2006 has been a tumultuous year filled with achievements and realizations. During the whole of 2006 LACNIC actively and relevantly participated in numerous national, regional and international meetings, where we stated consensual opinions in favor of the regional community to which we are dedicated.

Based on the General Member Assembly resolution that establishes that LACNIC must initiate consultation rounds with the different regional stakeholders with the aim of promoting LACNIC's vision on issues relating to Internet resource administration and stability, we have implemented actions directed towards the region's governments that will allow them to attain full knowledge of these issues.

the public and private sectors that significant progress may be achieved for the development of the Information Society in Latin America and the Caribbean.

Among this broad set of goals there are some which are of particular significance to our organization and towards the achievement of which important contributions have been made. This is the case of goal number 1, which relates to "Regional Infrastructure," an area in which the +Raices project, the support provided to NAPs, and the promotion of a "regional interconnection" project are concrete contributions in the direction agreed by governments. In addition, many of the projects supported by FRIDA contribute to this and other important eLAC goals. LACNIC is firmly committed to advancing this Plan.

Regional Plan of Action eLAC 2007

The Regional Plan of Action eLAC 2007 was officially approved at the Regional Latin American and Caribbean Ministerial Preparatory Conference for the World Summit on the Information Society on June 10, 2005, in Rio de Janeiro, Brazil. The goals of this Plan are to move towards the formation of an information society that will benefit all the inhabitants of Latin America and the Caribbean, to promote development through growth with equity, to consolidate democracy, and to strengthen regional integration.

In this sense, in November, 2006, LACNIC participated in the third Regional Action Plan eLAC 2007 implementation meeting held at CEPAL's offices in Santiago de Chile, where we were able to show the governments that were present at the meeting LACNIC's contributions to the attainment of 33 of the 70 indicators established in the eLAC 2007 document, that is to say almost 50%.

Our participation in this meeting allowed us to reaffirm the importance of LACNIC's cooperation policy, which is based on the notion that it is only through constant collaboration and cooperation between

Seminar on Electronic Government

Additionally, LACNIC supported the organization of events such as the one prepared jointly with the British Embassy in Uruguay and the Ministry of Education and Culture of the Uruguayan Government. This event received the name of "International Seminar on Public Policies for Electronic Government," and was held on March 23-24 at Edificio Libertad, a building located in Montevideo and belonging to the Uruguayan Presidency.



This seminar included issues such as legal aspects relating to the implementation of Electronic Government, sharing international experiences, Uruguay's current situation, and, to conclude, a round table about the challenges Uruguay must face for deploying electronic government. This round table was headed by national authorities in charge of the Information Society's national agenda.

The event had the participation of experts from Argentina, Brazil, Chile and England, was attended by 230 participants, and was broadcast via webcasting.



Interacting with the World

Throughout the years, LACNIC has valued the importance of participating in arenas and fora that will benefit the community and aim at promoting and developing the Information Society within our region.

LACNIC at Regional Fora

WALC 2006 – Quito – Ecuador

WALC is a one-week event organized annually by the ESLARED foundation; it concentrates training workshops directed at the region's network administrators. The 2006 edition was held in Quito and attended by over 600 participants from around the region. LACNIC provided funding and contributed experts for conducting workshops such as Network Management, IPv6 and Web Development using Free Software.

CITEL – Building Bridges with the Region's Governments

In 2006, LACNIC joined for the first time the Inter-American Telecommunications Commission (CITEL) in the capacity of associate member. The activities carried out by LACNIC are mainly within the framework of Permanent Advisory Committee I (CCP.I), which acts as CITEL's telecommunications advisory committee on matters relating to coordinating standards for telecommunications networks and services; new policy, legal and economic issues; and initiatives having to do with the introduction of technologies and services.

The IX CCP.I meeting was held on September 12-15, 2006. During this meeting there was a special session on IPv6-related issues where LACNIC promoted the understanding of this technology, the distribution process for this resource within the region, and the Policy Development Process as an inclusive form of participation for all stakeholders involved.

LACNIC within the Global Environment

Number Resource Organization (NRO)

Together with the other four Regional Internet Registries (RIRs), LACNIC is part of the Number Resource Organization (NRO), an institution that coordinates different activities among RIRs, including joint technical projects, liaison activities and global policy coordination. Its objectives are to protect the unallocated Number Resource pool, to promote and protect the bottom-up policy development process, and to act as a focal point for Internet community input into the RIR system. The NRO is made up by the Executive Council (EC) and the Number Council (NC).



Address Supporting Organization (ASO)

Since their creation, LACNIC and the remaining four Regional Internet Registries (RIRs) are part of the Address Supporting Organization (ASO), one of ICANN'S supporting organizations. Following the creation of the NRO a new agreement was subscribed with ICANN. According to the terms of this new agreement between the NRO and ICANN, the NRO Number Council (NRO NC) performs the functions of the ASO Address Council (ASO AC).

During 2006, the representatives of LACNIC's region to the ASO Address Council (NRO Number Council) were as follows:

*	Hartmut Glaser	Brazil	Jan 1, 2005 – Dec 31, 2007
	Francisco Obispo	Venezuela	Jan 1, 2006 – Dec 31, 2008
**	Sebastián Bellagamba	Argentina	Oct 28, 2004 – Dec 31, 2006

* Appointed by LACNIC's Board of Directors.

** Sebastián Bellagamba was reelected in May 2006 by LACNIC's Public Forum to occupy a position in the ASO Address Council beginning on January 1, 2007, until December 31, 2009.

ICANN

As in previous years, we have continued to participate in ICANN meetings, supporting the consolidation of this organization. We welcomed the designation of Luis Pablo Hinojosa as ICANN liaison for our region. In addition, during 2006 we maintained permanent dialog with ICANN officials trying to achieve a service contract between IANA and LACNIC, thus seeking the formalization of the provision of Internet resources for the region.



LACNIC supported and was an important sponsor of the ICANN meeting held in December, 2006, in Sao Paulo, thus showing its commitment to the consolidation of this organization which is dedicated to coordinating Internet resources at global level.

Internet Governance Forum (IGF)

This forum was created for discussing public policies relating to Internet Governance and for facilitating the discussion of related issues. Our Executive Director, Raúl Echeberría, was invited to join the special advisory group to the United Nations (UN) Secretary General Kofi Annan for the start-up of the Internet Governance Forum.

The group provides advice for the instrumentation of a global dialog regarding those Internet-related issues that generate the greatest concerns, such as spam, cyber-crime, the right to privacy and freedom of speech.

In addition, the group also provided advice on issues that were instrumental for the concretion of the first Internet Governance Forum (IGF), which was held in Athens, Greece between October 30 and November 2, 2006. At that meeting Echeberría's main task, together with the other 45 experts on different areas, both public and private, was to prepare the Forum's working agenda and program of activities.

At the international meeting, issues relating to public policies aiming at contributing to the sustainability, security and stability of Internet development were discussed.

LACNIC's participation at this forum consisted in promoting Regional Interconnection and Capacity Building by contributing to the debates on these issues and providing financial support for other regional stakeholders to participate in the Forum.

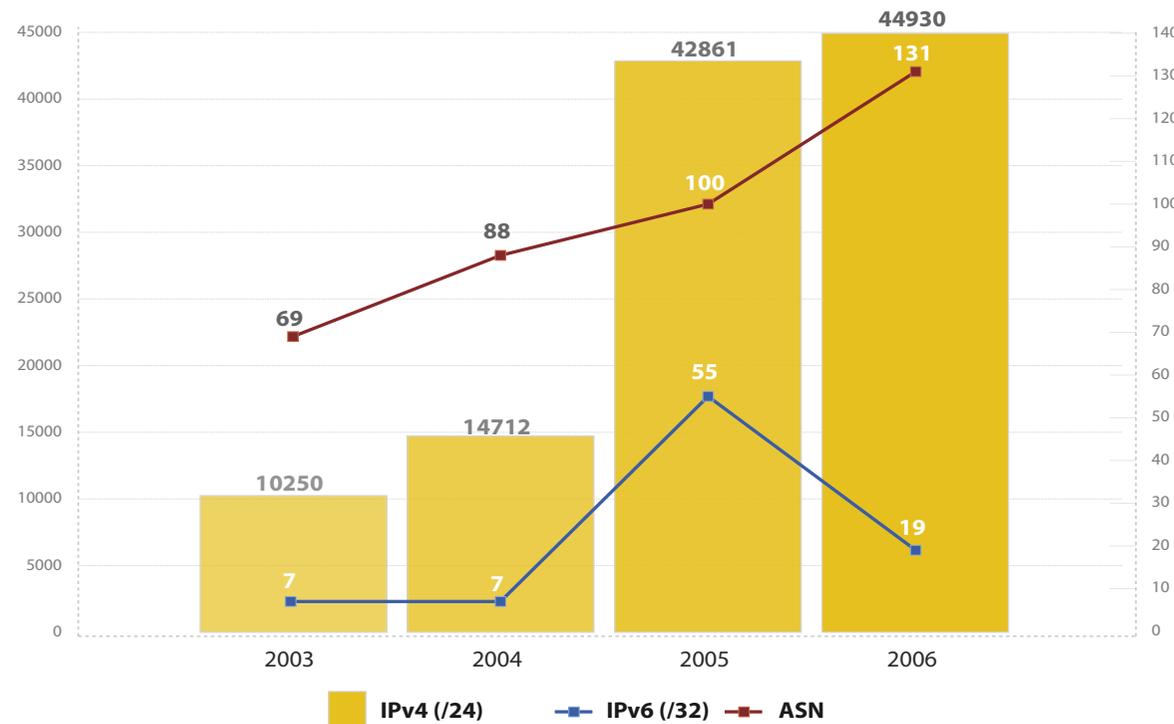
Through its constant and committed participation, both in regional as well as international fora, LACNIC has made a place for itself within the international community and has positioned itself as an important actor in Internet development and stability, not only in Latin America and the Caribbean but also at global level.



Our Growth in Numbers

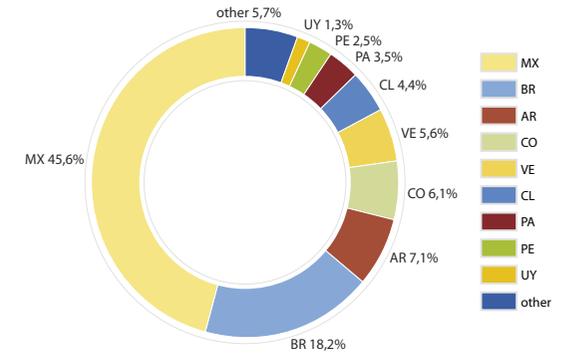
During 2006, the number of Internet Resources allocations continued to grow.

Volume of Allocated Internet Resources

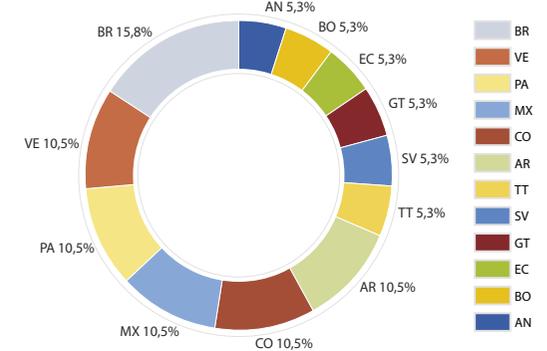


Distribution of Resources by Country

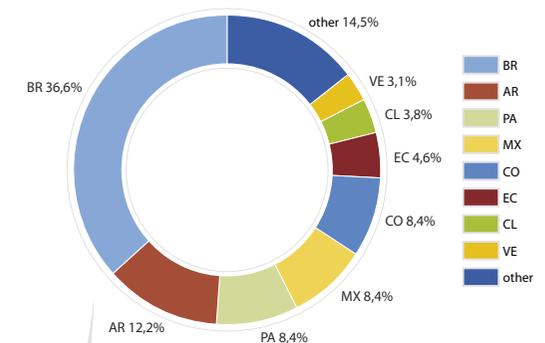
IPv4 Allocations in 2006



IPv6 Allocations in 2006



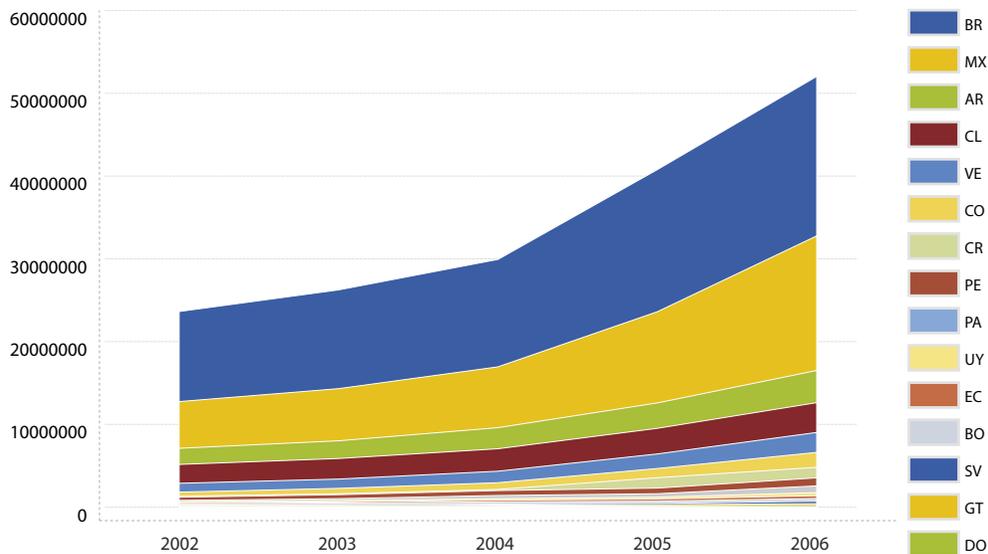
ASN Allocations in 2006



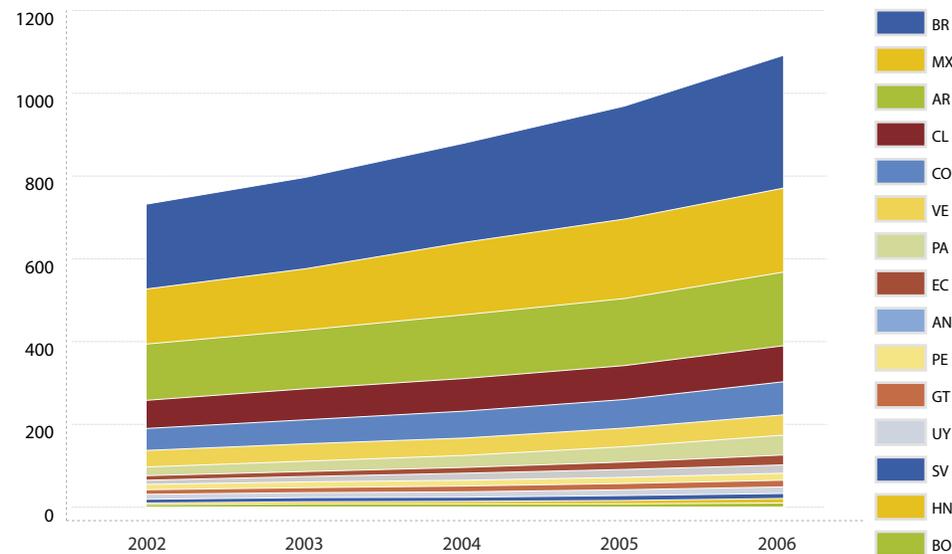
Distribution of IPv4 blocks and ASNs by country between 2002 and 2006

(charts also show the growth of these countries in terms of the volume of allocated resources)

IPv4 Allocations by Country (2002 - 2006)



ASN Allocations by Country (2002 - 2006)



Applications received during 2006:

IPv4:	289
IPv6:	38
Transfers:	33
Total:	563

26% +
more than in 2005

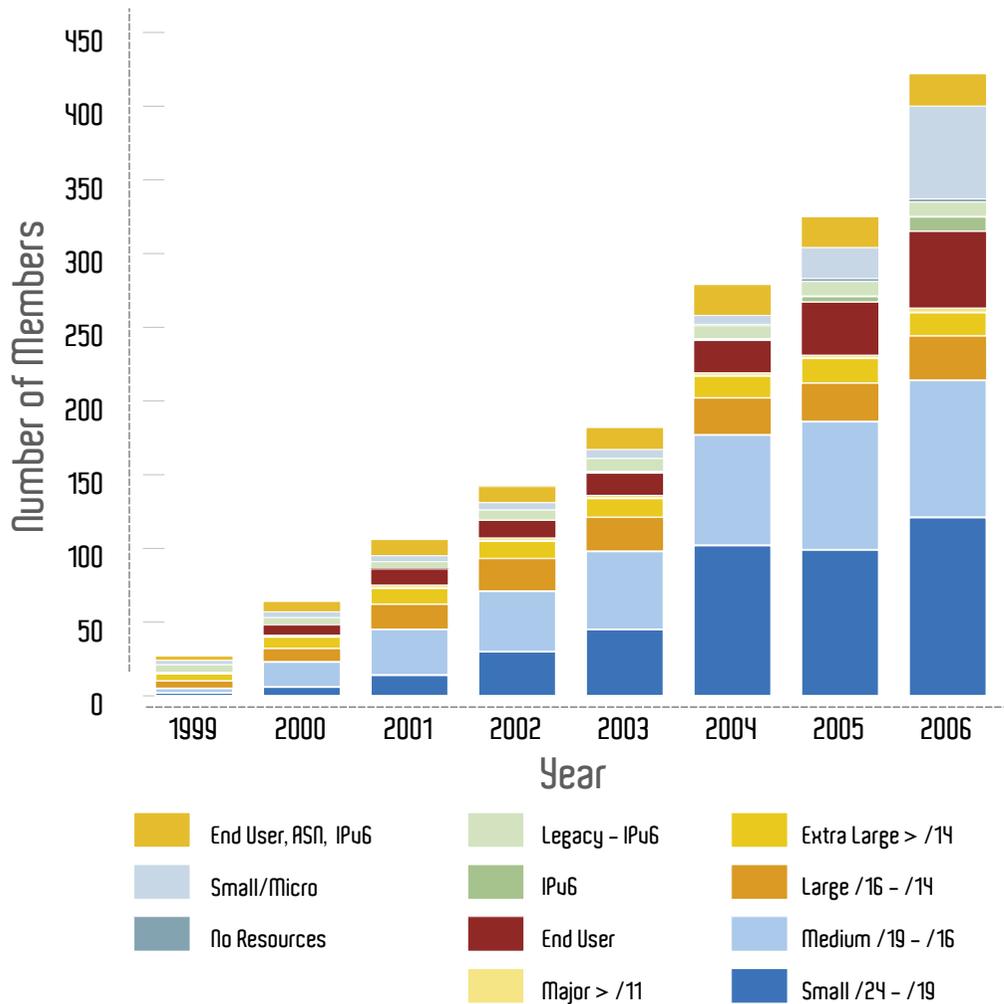
E-mails received in relation to Internet resource allocation management:

3.900



Membership Evolution

(Aggregate, by category)



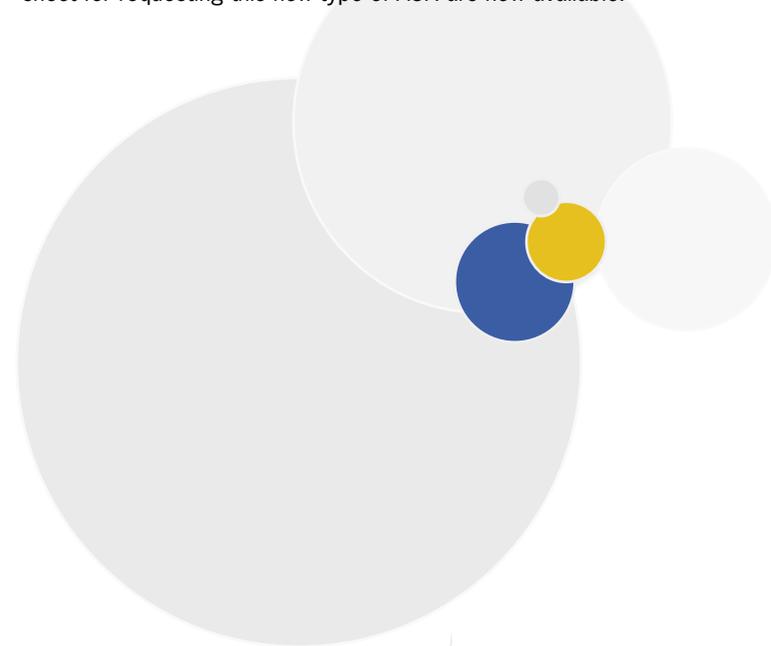
The figures for the years prior to 2002 correspond to ARIN members that were within the region now serviced by LACNIC.

New Allocations from IANA to LACNIC

As a result of IANA's global policy for the allocation of IPv6 blocks to Regional Internet Registries (RIRs), in October 2006 LACNIC received a new block of IPv6 addresses – block 2800::/12. This represents an important achievement for the Internet community, as it will allow implementing better allocation strategies and improving the possibilities for route aggregation.

In addition, in November 2006 IANA allocated a group of 32-bit ASNs to LACNIC. This will allow tests to be performed using this new type of identifier before the 16-bit ASN space is depleted.

In order to comply with the 32-bit ASN allocation policy that was approved during the last Public Policy Forum which met in Guatemala during May, 2006, a new application form and instruction sheet for requesting this new type of ASN are now available.



We Doubled our Equity

As in all areas of our organization, this has been a year of institutional consolidation and growth. The construction of our new headquarters has allowed us to take an important quantitative leap by doubling our institutional equity.

Despite the fact that this October the general fee reduction approved by our Annual Member Assembly held in Guatemala during the month of May came into effect, income levels have not decreased. On the contrary, they have exceeded the predictions for the year and there has been an important increase in the income received in concept of initial applications.

Constant and sustained growth

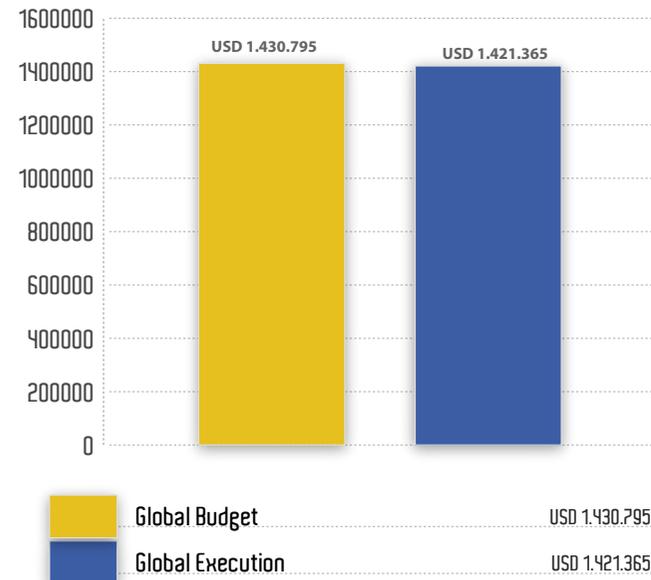
During the past five years the institution has grown two hundred percent (200%) in terms of equity.

Expenditure Execution

As can be seen in the following chart, the year's expenditure execution in relation to budget execution corresponded to 99% of the final budget approved by the Board of Directors.

Budget Execution

(Figures expressed in U.S. dollars)



2006 Balance

Balance Sheet as at December 31, 2006

	2006		2005	
	USD	\$ (uruguayan pesos)	USD	\$ (uruguayan pesos)
Assets				
Current Assets				
Cash and Banks	102.724	2.508.522	249.024	6.006.462
Temporary Investments	3.617	88.338	3.706	89.389
Accounts Receivable	179.144	4.374.694	47.722	1.151.024
Other Receivables	447.732	10.933.618	375.795	9.064.172
Total Current Assets	733.217	17.905.172	676.247	16.311.047
Non-Current Assets				
Fixed Assets and Intangibles (Annex 1)	849.638	20.748.154	535.895	12.585.607
Investments	1.700	41.514	1.700	48.309
Total Non-Current Assets	851.338	20.789.668	537.595	12.633.916
Total Assets	1.584.555	38.694.840	1.213.842	28.944.963
Liabilities and Equity				
Current Liabilities				
Accounts Payable	43.030	1.050.792	25.718	620.328
Financial Debts	116.667	2.849.002	66.666	1.607.994
Other Liabilities	108.313	2.644.994	102.791	2.479.328
Total Current Liabilities	268.010	6.544.788	195.175	4.707.650
Non-Current Liabilities				
Financial Debts	305.555	7.461.663	322.222	7.772.006
Other Liabilities	7.960	194.383	10.730	258.808
Total Non-Current Liabilities	313.515	7.656.046	332.952	8.030.814
Total Liabilities	581.525	14.200.834	528.127	12.738.464
Equity (Annex 2)				
Adjustments to Equity	-	-	-	(73.047)
Foreign Currency Conversion Reserve	-	436.153	-	-
Retained Earnings	732.414	17.885.550	489.221	13.024.974
Net Income of the Year	270.616	6.172.303	196.494	3.254.572
Total Equity	1.003.030	24.494.006	685.715	16.206.499
Total Liabilities and Equity	1.584.555	38.694.840	1.213.842	28.944.963

Profit and Loss Account for the Term Ended on December 31, 2006

	2006		2005	
	USD	\$ (uruguayan pesos)	USD	\$ (uruguayan pesos)
Net Sales	1.346.912	32.081.719	1.016.731	25.074.850
Selling and Administrative Expenses				
Salaries	(367.443)	(8.832.351)	(256.752)	(6.206.782)
Travel and Training Expenses	(290.912)	(6.978.278)	(221.082)	(5.329.795)
Cooperation, Contributions and Membership Fees	(64.403)	(1.540.724)	(80.825)	(1.911.347)
Professional Fees	(125.725)	(3.010.373)	(59.329)	(1.435.653)
Advertising	(44.205)	(1.063.150)	(47.213)	(1.140.026)
Amortization	(37.933)	(1.067.108)	(32.364)	(921.579)
Correspondence and Communications	(39.493)	(949.247)	(34.455)	(834.223)
Rental	(14.209)	(341.431)	(9.879)	(238.635)
Cleaning and Maintenance	(10.227)	(247.518)	(8.573)	(203.934)
Stationary and Desk Supplies	(4.467)	(106.884)	(8.144)	(196.475)
Bad Debts	(5.126)	(125.177)	(7.448)	(179.646)
Insurance	(4.305)	(104.854)	(3.866)	(92.980)
Electricity, Gas and Water	(8.997)	(217.510)	(3.088)	(74.837)
Other Expenses	(21.315)	(513.131)	(2.202)	(53.229)
	(1.038.760)	(25.097.736)	(775.220)	(18.819.141)
Operating Income	308.152	6.983.983	241.511	6.255.709
Non-Operating Income	26.524	637.288	-	-
Financial Results	(64.060)	(1.448.968)	(45.017)	(3.001.137)
Net Income of the Year	270.616	6.172.303	196.494	3.254.572

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 Control Organ 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, 2006, and the Independent Auditor's Report.

SOLE ARTICLE – The results of the audit carried out by Tea Deloitte & Touche, in their capacity as external auditors, in relation to the Financial Statements corresponding to the term ended on December 31, 2006, including aspects relating to financial instruments and their management policies, were reviewed. 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, 2006, and therefore we advise its approval by the General Assembly under the provisions of LACNIC's Bylaws.

Montevideo, Uruguay, March 9, 2007

Cassio Vecchiatti

Gabriel Adonaylo

Adriana Ibarra Vázquez



The Report issued by Tea Deloitte & Touche in their capacity as external auditors, is available from LACNIC's website at:

<http://www.lacnic.net/documentos/auditoria2006/informe-en.pdf>

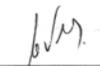
DICTAMEN DE LA COMISION FISCAL

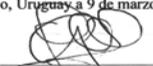
Con fundamento en artículo 27, inciso c) de los Estatutos aprobados y vigentes del REGISTRO DE DIRECCIONES DE INTERNET PARA AMERICA LATINA Y CARIBE (LACNIC), se reúne el Órgano de Fiscalización conformado por Cassio Vecchiatti, Gabriel Adonaylo y Adriana Ibarra Vázquez.

Atendiendo lo anteriormente expuesto se emite un dictamen relativo a los Estados Contables correspondientes al ejercicio finalizado al 31 de diciembre de 2006 e informe de auditoría independiente.

UNICO.- Se reviso el resultado de la auditoria a los Estados Contables del ejercicio finalizado al 31 de diciembre de 2006 realizado por la firma Tea Deloitte & Touche como auditor externo, incluyendo los aspectos asociados a instrumentos financieros y las políticas de gestión de los mismos. Derivado del análisis que realizo el Órgano de Fiscalización del informe del auditor externo y la documentación presentada por o requerida a LACNIC, concluimos que los datos presentados reflejan razonablemente la situación patrimonial de LACNIC al 31 de diciembre de 2006, por lo que aconsejamos su aprobación por la Asamblea General de conformidad con el Estatuto de LACNIC.

Montevideo, Uruguay a 9 de marzo de 2007.


Cassio Vecchiatti


Gabriel Adonaylo


Adriana Ibarra Vázquez.

Participation in LACNIC and its Discussion Fora

LACNIC goes to great lengths to increase and broaden participation spaces for the Internet community of Latin America and the Caribbean to discuss the different issues that affect Internet growth and stability.

Announcement Mailing List

This list is used for publishing communications having to do with LACNIC's most important activities, such as calls for elections and scholarships, project presentation, information about the meetings of LACNIC and other important regional organizations, and issues generally relating to the development of the Internet in Latin America and the Caribbean.

Policy Mailing List

This space is dedicated to the discussion and presentation of proposals for Internet resource distribution in Latin America and the Caribbean. This is where the criteria applied by LACNIC for the allocation of IPv4, IPv6, ASN and related services originate.

In addition, LACNIC also hosts and supports the following regional discussion lists:

Network Security Mailing List

The goals of this mailing list are to bring together in a single forum all actors interested in issues having to do with network security, incident coordination and CSIRT creation, to debate concrete actions and coordination projects to deal with network security problems in the region, and to suggest and discuss issues of interest to the community.

Napla – Regional Interconnection Forum – Mailing List

Among others, the aim of this mailing list is to bring together all those interested in the operational and functional aspects of NAPs, in order to generate greater value for all participants through the exchange of information. This list will serve to support the preparation of the agenda and issues to be discussed at NAPLA meetings.

LAC IPv6 TF Mailing List

This forum is a meeting place for all individuals interested in the development of IPv6 within the region. Devoted to discussions ranging from questions about IPv6 implementation and deployment to updated information about the progress of IPv6 adoption, this list is a space for technological innovations through the use of the new IPv6 protocol.

All those interested in subscribing to these mailing lists can do so at the following URL: <http://lacnic.net/en/lists.html>



LACNIC



Latin American and Caribbean
Internet Address Registry



Address: Rambla República de México 6125. CP 11400 Montevideo, Uruguay
Phone: +598 2 604 2222 Fax: +598 2 604 2222 ext. 112
Web: www.lacnic.net

Numbering Resources Requests: hostmaster@lacnic.net
Administration: facturacion@lacnic.net
Membership Information: membresia@lacnic.net
Institutional Cooperation: cooperacion@lacnic.net