

Stichting NLnet
Project Selection Committee
Koenestraat 92
3958 XH Amerongen

10 May 2004

Dear Sirs:

For years, NLnet has distinguished itself as one of the Open Source movement's strongest allies.

You came to the aid of our organization in 2003 by providing funding for crucial system upgrades, enabling us to support and enhance our offerings in the Open Source arena despite an ever-expanding user base.

Thanks in no small part to your support, we have not only survived this sudden increase in popularity – we've flourished! The last several months have brought with them a tremendous increase in momentum, with public awareness of our project (and its significance) spreading like wildfire as CAcert found itself spotlighted in *The Sydney Morning Herald*, the *Australian Unix Users Group News*, and *login*, the journal of the Advanced Computing Systems Association.

And though we are quite proud to announce the registration of our 5000th new user this past April, we are determined not to rest on our laurels. Because the most exciting aspect of CAcert's success to date is that it represents only a small fraction of the potential benefit we are poised to provide for the open source community. As we further enhance our credibility within the X.509/PKI arena, growing the influence, power, and ubiquity of our product/service lines, the increased benefit to OSS developers and users will be immense.

However, as with any organization that seeks to change the status quo, many challenges stand between CAcert and the realization of its full potential. The process of gaining acceptance from certain key application developers (e.g. the Mozilla Foundation) has proved to be far more frustrating and time-consuming than originally expected. Absent their support and with limited financial resources, it has been difficult to develop the kind of brand recognition and user awareness required to drive a project of this magnitude.

In short, CAcert is probably one of the best resources in any given OSS developer's toolkit – he just doesn't know it yet. But all that is about to change.

CAcert representatives were on hand at CeBIT in Sydney earlier this year, and it has only been a few weeks since the twelve-day “CAcert European Roadshow” brought volleys of developers, users, and CAcert board members together for meetings in Great Britain, France, Switzerland, Germany, and The Netherlands. And with NLnet's help, we plan to expand our marketing/evangelism efforts even further, beginning with the USENIX conference in Boston this June/July.

That being said, please find the attached Proposal submitted for your consideration. As a strong enabler of OSS security infrastructure services, the continued success and growth of CAcert is very much germane to the goals of NLnet and its mission. As past recipients of your generosity, we are grateful for all that you have done to bring us to where we are now — and, given the opportunity, we would be pleased to once again demonstrate what your investments in CAcert can do for the Internet community as a whole.

If I may be of any assistance during the decision process, please do not hesitate to contact me directly.

Respectfully yours,

Adam Butler
Marketing and Public Relations

Proposal to Fund Board Meeting and Concurrent Networking/Marketing Development Opportunities at USENIX 2004

Submitted 4 May 2004 by CAcert, Inc., for the consideration of the Stichting NLnet Project Selection Committee

Applicant Summary

CAcert, Inc., is a non-profit community-oriented Certificate Authority that provides a general service to the community by issuing, where possible, free X.509(v3) certificates for personal and/or server-side use. Though incorporated in Sydney, Australia, CAcert services the Open Source digital certificate security needs of more than 5000 users across six continents – certificates issued by the nonprofit CA currently form the foundation for approximately 8000 server-side (web) and personal (email) security implementations. The organization enjoys international media attention for its policy of providing for free the very same types of certificates often sold by closed-source, commercial CAs (such as industry leaders Thawte and Verisign) for hundreds, sometimes thousands, of dollars.

While practical applications for the PGP/GPG infrastructure decline and the use of X.509 solutions increase in popularity, CAcert fills the gap between untrusted, self-signed (so-called “home-brew”) certificates and their prohibitively expensive (commercial or governmental) counterparts. By enforcing the same stringent requirements for identity verification as other CAs, integrating this level of sophistication with the well-established community “web” trust model, and enabling its users to enhance their own trust status by seeking Assurance from qualified members of the trust community, CAcert has built a system that uses Open Source principles in the management and development of human, as well as software, elements.

At the time of this writing, CAcert's offerings include certificates for secure sockets layer, encrypted/authenticated email communications, wireless authentication, code signing, electronic document certification, client-server authentication, and more. Future products/services under consideration include an open, X-509-based alternative to Microsoft's proprietary “Passport” single log-in product, as well as various methodologies for integrating certificates with commodity token/smart-card products.

Challenges

Both developers and board members alike are resolved to tackling any and all obstacles that stand in the way of CAcert's stated goals. Current efforts include: the development of quality, user-friendly software to service a wide variety of user needs, concerns, and skill levels; the creation of standardized, public policies governing the use and support of certificates within the open source community; enhancing the existing Assurer base so that it can scale properly world-wide; continuing existing efforts to work with developers for purposes of gaining inclusion within certain products (e.g. Mozilla); and, increasing CAcert's user base and total number of certificates in circulation to provide additional leverage with future developers/OEMs.

CAcert Board Members

Duane Groth

President
duane@groth.net
Departing From: SYD

Christian Barmala

Vice President
christian@barmala.de
Departing From: FRA

Robert Cruikshank

Secretary
robert@cruikshanks.net
Departing From: SYD

Adam Butler

PR/Marketing Director
adam@adambutler.net
Departing From: BHM

Funding Request: Overview

CAcert respectfully requests NLnet's support in the form of expense reimbursement for costs associated with travel, accommodations, registration fees, and materials necessary for the Board Members to attend the USENIX'04 conference (described in more detail below) this June/July. Our organization is seeking NLnet's sponsorship because, at present, CAcert does not have the resources to cover the expenses (as proposed below).

The members and representatives of CAcert are well aware (and highly appreciative) of the role NLnet has played in our organization's growth to date, as discussed earlier. It is our sincere hope that the directors of NLnet recognize the unique benefits CAcert has been able to provide to the Internet community as a result of its support, as well as the potential benefits that could be realized as a result of CAcert's continued growth and success. Should NLnet decide to once again come to the aid of our fledgling nonprofit, CAcert representatives are eager to report back after the event, detailing exactly how NLnet's sponsorship dollars were used, what benefits resulted from the organization's continued support of our organization and the Internet community as a whole, and how we plan to harness the momentum gained from USENIX to further the goals and ideals held in common by both our organizations!¹

CAcert is eager to reach a point of financial solvency, when projects such as this could be funded internally, without relying upon the generosity of organizations such as NLnet. Such a financial position is not reached overnight, unfortunately, but through the continued assistance of our supporters, events such as this USENIX conference are certain to increase awareness of our services in the community, resultantly increasing our user base, ad revenue, donations, *et al.* Though we might not be as financially independent as we would hope right now, projects such as the one described in this Proposal light the way to an eventually self-sufficient CAcert.

1 CAcert participation in the Boston Conference is, of course, contingent upon approval of this request for sponsorship.

The following user base and financial figures are provided for your reference, however they do suggest strong upward momentum both in the Community's use of CAcert's services and in CAcert's progress towards self-sufficiency: To date, advertising revenue from CAcert's web site² totals \$1128.05, with a monthly average of \$141.01 (USD).³ Meanwhile, CAcert has seen consistent increases in certificate issuing and new user registration: with a current total of 5,255 registered users, the organization has experienced solid growth of approximately 25 new users per day, with hundreds of new client and server certificates being issued each month. At current count, CAcert supplies the security infrastructure for 3,553 servers and 4,549 clients/users for a total of 8,102 separate entities within the Internet community that rely upon CAcert certificates for their security needs.

Funding Request: Goals

The reasoning behind this funding request is twofold:

1. TAP A HIGHLY RECEPTIVE AUDIENCE: The USENIX'04 conference in Boston, Massachusetts (to be held 27 June – 2 July 2004) will serve as an excellent opportunity to showcase CAcert products and services to an extraordinarily attractive audience⁴ while offering numerous chances for networking, development of strategic alliances, and new user/developer/advocate recruitment. Additionally, Boston happens to be home to several existing CAcert users who have volunteered to help with the marketing effort.

To fully exploit the opportunities afforded by such an audience, several marketing gimmicks/campaigns are currently under development, including: (i) On-site⁵ user ID verification (assurance) and certificate generation, with certificates distributed on preprinted, business card-sized CD-Rs; (ii) Birds of a Feather (BoF) sessions⁶ including “The Argument for a Community-Based Certificate Authority” (discussing the importance of an open source CA in providing an alternative to commercial offerings) and “Moving Beyond S/MIME and SSL” (discussing the broad range of uses for X.509 certificates), with each session to be followed by audience Q&A and additional opportunities to become assured, receive certificates, etc.; and (iii) Various printed marketing materials for distribution. Also, a very prominent pro-CAcert opinion piece is slated to appear in the June USENIX journal⁷, encouraging even more interest on the part of conference-goers.

2. FACE-TO-FACE MEETINGS: The USENIX conference is expected to draw OSS developers from many projects, including the Mozilla Foundation. By meeting face-to-face with Internet application development groups (or representatives thereof), we will be able to heighten awareness, encourage more personal involvement, and engender more trust than may have otherwise been possible on-line. Depending on the results of these discussions, the potential for significant positive change (in terms of acceptance by specific developers) is quite high.

Also a significant face-to-face meeting, the annual CAcert Board Meeting is scheduled to take place during the conference. There are many advantages to this approach: First, the high availability of unused conference rooms⁸ inside the hotel makes it an ideal location to host the meeting. Second, with all board members in attendance,⁹ this would actually be the first opportunity for many members of this highly distributed project to meet in person!¹⁰ This seems insignificant – however, according to CAcert President Duane Groth:

“There is a major problem with issuing trust on a geographical basis to get the ball rolling with small amounts of funding, and the opportunity to attend such a gathering of highly technical people could increase confidence in our project, the enthusiasts running the project and general visibility in the wider community. Without trust in a project such as this we have struggled along for the last 2 years making some headway but it has been very tough going, with many in the community we seek to help not realizing the benefits of such a project in the long term. By being able to meet face to face, based on previous meetings, I've found people are generally a lot less apprehensive towards us as they realize we are genuine in our goals.”

It is very valuable to meet in person – at least occasionally – when dealing with a “community” of sorts. This generally speeds up the initial policy decision process and allows one to better work with more organized open source development groups. Beyond that, in-person meetings allow members of the board and other involved individuals to brainstorm together when discussing policy-related topics.

Furthermore, the need for a Board Meeting is compounded by the existence of several topics/issues that have been greatly discussed on-line but still lack finality. The Board Meeting this June in Boston would bring closure to a wide range of important topics, such as the creation/selection of a CAcert logo, codification of the Assurance process and the body of policies that surround said process, and the question of “What CAcert Stands For,” a re-examination (and potential update) of the organization's mission statement and charter. Each of these topics would be discussed at the proposed Meeting, allowing attendees to finally close the book on certain nagging issues.

2 CAcert has participated in the popular “Google Ads” program for 8 payment cycles to date. (Approximately eight months' worth.)

3 These numbers are reduced by a AU\$15 per-check charge, due to foreign currency exchange fees. (Approximately AU\$105 total.)

4 According to all available demographic/firmographic data.

5 No cost is associated with offering this service on-site, as CAcert representatives have already negotiated a complimentary table in the vendor area for Tues-Wed. (Approximate savings of \$2500 per day.)

6 A standard USENIX forum for groups to gather and discuss various topics in the evenings. Time slots for the sessions described have already been reserved; no cost is associated with this feature.

7 “Certs for the Masses: A Community-Oriented Certificate Authority.”;login: June 2004. 4-9.

8 No cost is associated with this item; the use of an empty conference room, via the “Birds of a Feather” program, has already been negotiated through USENIX and is scheduled for the evening of Monday 28 June 2004.

9 Assuming funding approval, of course.

10 Duane and Robert have met, as have Adam and Christian, but geographic constraints (US, CH, AUS) have prevented any further personal communication beyond email and the occasional telephone call.

Funding Request: Costs

Due to NLnet's relationship with USENIX/SAGE, NLnet should be able to purchase tickets to this event at a significantly reduced rate.¹¹ For this reason, it would seem prudent to request that NLnet pay for the registration in advance, as opposed to using the standard reimbursement schedule. (Note: The figures below assume all fees are reimbursed; thus the non-member registration price is listed.) The following table illustrates the individual (and total) costs associated with this funding request:¹²

Flight/Travel ¹³					
	Duane Groth	SYD→BOS	2300	=	2300.00
	Christian Barmala	FRA→BOS	2000	=	2000.00
	Robert Cruikshank	SYD→BOS	2300	=	2300.00
	Adam Butler	BHM→BOS	375	=	375.00
				sub (+)	=
					<u>\$6975.00</u>
Hotel					
	Room rate @ 194.63			=	194.63
	x6 nights			=	1167.78
				sub (+)	=
					<u>\$4671.12</u> ¹⁴
Conference Fees:		Non-member Rate @ 875.00		=	875.00 ¹⁵
				sub (x4)	=
					<u>\$3500.00</u>
Materials/supplies:		Materials @ \$500		=	500.00
				sub (x1)	=
					<u>\$500.00</u>
Grand Total:				tot (+)	=
					<u>\$15646.12</u>

11 Member versus non-member registration (\$100 difference) – as per <http://www.usenix.org/events/usenix04/registration/registration.html> (4 May 2004).

12 All figures \$ USD, unless otherwise indicated.

13 All flights economy class, plus early booking rate and/or "deep discount rate" if available.

14 Accommodations at the Boston Marriott are certainly preferred, as this would allow easy access to marketing tools, laptops, and similar supplies (which could be stored on-site). The budgets described assume maximal costs; savings can be achieved via early booking for flights (as available), early conference registration discounts, and exercising the option to stay for some or part of the event with a CAcert member who lives in Boston and has offered to provide appropriate accommodations off-site.

15 Non-member fee. For members, if paid by the June 7 deadline, the cost drops to \$775.