



## CONCEPT BUDGET HIGHLIGHTS

Highlights of the ITEGA three-year-budget:

- A total of \$1,000,000 in foundation funding is sought over two years -- \$550,000 in the first year and \$450,000 in the second.
- After two years, as program revenues kick in, ITEGA turns cash positive
- This assumes a run rate of 2 million global end users in year two; 10 million in year three
- In year three, ITEGA could begin its own philanthropy -- making grants for:
  - Public-interest journalism R&D / production
  - Report for America grants
  - "Digital library passes" -- free access to paid content for libraries and income-qualified individuals
- Revenues come from four sources, starting slowly in Year Two and ramping up
  - A \$0.01 assessment per enabled end-user per year charged publisher/service providers
  - A one-time annual membership fee to publisher/service providers scaled to their size class (like The AP)
  - A charge of one-twentieth of a penny for access day (multiple accesses in one day permitted) assessed upon user-date users (advertisers and their agents)
  - A charge to publisher/service provider of one-fiftieth-penny ("exchange fee") applied to every content transaction/access; assuming one per each weekday per user)

## HOW CAN ITEGA CHARGE?

The ability to apply such fees and assessments is based upon these assumptions:

- Publisher members of the nonprofit ITEGA will see fees and assessments as establishing a positive feedback loop of growing user- and content-sharing services, sustaining their businesses, rather than enriching investor-owned platforms.
- Users of the system (publishers, advertising, data-demographic aggregators) cannot operate without a valid network ID. Receipt of the network ID requires them to subscribe to ITEGA's Member Exchange Rules (in draft form [here](#)), and to pay all assessments when due.
- The willingness to submit to contract will be dependent upon the system reaching a critical mass of private-by-design user profiles for advertising and credit-enabled content subscribers, i.e., an attractive marketplace.

Metrics of success developed in Year One should allow tracking of progress toward cash-flow positive operation.

## WHERE IS THE DEVELOPMENT EXPENSE?

The funds set aside for technology development are modest. We believe that third-party, commercial vendors will step up as preferred-providers to ITEGA and that as the system matures there will be competing providers for such services as authentication, user-profile management, logging and financial settlement, among other services. ITEGA's role is as a certifying authority and the issuer of global IDs; not a system operator.

## WHERE IS THE BUSINESS OPPORTUNITY?

These third-party vendors will be free to compete and will charge publishers, advertiser, identity-service providers and others for their services on a transactional basis. When the ITEGA protocol's payment services are defined and private entities deploy them, publishers can also begin to charge for content and ITEGA-sanctioned logging, aggregation and settlement services can facilitate wholesale-retail content sharing. Thus there is opportunity for advertiser, for publishers and for service-provider middleware service vendors. For ITEGA, a non-profit with public-benefit purpose, revenue excesses can be used to support journalism production as well as content access for economically-challenged citizens.