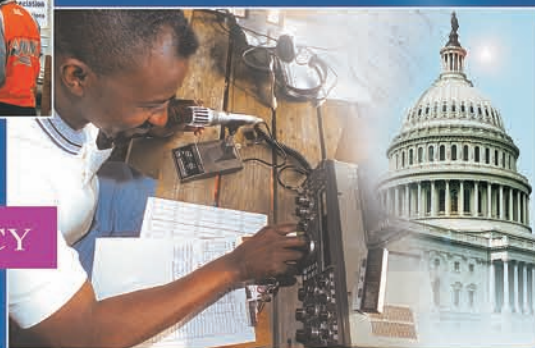


2004 ANNUAL REPORT



PUBLIC SERVICE



ADVOCACY



EDUCATION



MEMBERSHIP

ARRL is the national association for Amateur Radio operators.

The seed for Amateur Radio was planted in the 1890s, when Guglielmo Marconi began his experiments in wireless telegraphy. By 1914, there were thousands of Amateur Radio operators—hams—in the United States. Hiram Percy Maxim, a leading Connecticut inventor and industrialist, saw the need for an organization to band together this fledgling group of radio experimenters. In May 1914 he founded the American Radio Relay League (ARRL) to meet that need. Today ARRL is the largest organization of radio amateurs in the United States.

The ARRL is proud of its continuing traditions in four key areas of action:

PUBLIC SERVICE

ARRL members provide thousands of volunteer hours for communities and organizations requesting aid in emergency communications planning and disasters. The work of these hams became critical in several situations in 2004.

ARRL members provide even more hours of free communications work annually to local organizations conducting large activities such as parades, scouting events and marathons.

ADVOCACY

The ARRL represents US radio amateurs in legislative matters.

The ARRL also represents US amateurs with the Federal Communications Commission and other government agencies in the US and abroad.

The ARRL is the International Secretariat for the International Amateur Radio Union, which is made up of similar societies in 150 countries around the world.

EDUCATION

The ARRL promotes interest in Amateur Radio communications and experimentation.

The ARRL publishes the monthly journal *QST*, as well as newsletters and many publications covering all aspects of Amateur Radio developments.

The ARRL sponsors and coordinates classes in licensing, radio communications, electronic technology and related topics both nationally and internationally.

MEMBERSHIP

The ARRL maintains fraternalism and a high standard of conduct among Amateur Radio operators.

The ARRL provides direct services to members such as the Volunteer Examiner Coordinator Program and a QSL bureau.

The staff at ARRL Headquarters in the Hartford suburb of Newington is dedicated to providing quality member services.

American Radio Relay League



Annual Report

2004

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A Message from ARRL's President



Jim Haynie, W5JBP
President

Starting with announcements of "BPL Nirvana" from the FCC, 2004 was obviously going to be an interesting year for Amateur Radio. Faced with uncertainties about the security of our frequencies, the ARRL set a course which I believe will insure our continued existence and add value to our Service.

The first principle of the FCC's Part 97 [97.1.(a)] is "the **value** of the amateur service to the public as a voluntary noncommercial communication service, particularly with respect to providing emergency communications." We have expended considerable resources in emergency communications. The EmComm task force reviewed current and projected digital communications and methods to transmit at higher speeds while integrating with standard Internet services. This blending of radio and Internet capabilities is highly desired by many disaster services.

Our people are improving too. We entered the third year of the training grant from the Corporation for National and Community Service (CNCS), which trained thousands of hams in the Emergency Communications levels 1, 2 or 3 courses. More hams are taking CERT, FEMA and other emergency courses than ever before.

In 2004 we asked what will the future bring. Ham radio has gone from spark-gap to AM, to SSB and now digital modes. The reallocation of spectrum by bandwidth, not by mode, appears to be the most reasonable way to accommodate all the options currently on the air and those yet to come.

In 2004 we laid much of the groundwork for the coming license restructuring. Called "Restructuring II" it is the continuation of the process begun by reducing the license structure to only three levels. The goal was, and remains, to ease the entry for new hams into the Amateur Radio Service while encouraging licensees to advance beyond introductory levels. The provision of code-free HF access, made by changes to Article 25 of the international *Radio Regulations* of the World Radiocommunication Conference (WRC 2003), opened the door. Despite the code requirements debate, we must return to Part 97.1.(a) and recognize that growth in the numbers of hams available in an emergency is what adds value to our Service.

But restructuring alone is not enough. Without a vibrant, supportive association we will have no power to change the events affecting us. In 2004 several new initiatives began in order to gain members. A pilot membership sales program was begun, as were mentoring programs to nurture new hams. The Grassroots Legislative Action program, begun in 2004, will call upon hams to interact with locally elected leaders regarding several major issues facing Amateur Radio. It is more efficient and effective to have local people addressing local problems while the ARRL provides the tools. The Grassroots program makes the best use of our most valuable resource—the ingenuity, personal contacts and dedication of our members.

The ARRL is also addressing the Spectrum Protection Act to preserve the remaining parts of the radio spectrum in which an individual, not a corporation, may experiment with and explore radio—the amateur bands. By calling on Congress to protect the frequencies we now have, or provide equivalent megahertz of bandspace, it recognizes that the spectrum is a limited resource and worthy of protecting.

Unfortunately, for the first time, in 2004, the FCC began the dangerous assumption that they could choose which licensed service was "worthier" than others of protection from harmful interference and allowed an unripened technology to deploy despite known interference issues. There is now a petition for the reconsideration of that decision and a filing calling for the FCC to keep its promise to require swift correction of BPL installations causing harmful interference or shutting them down. As we live up to the FCC's number one principle by adding value to the Amateur Radio Service in the coming year, we call upon our national leaders to also live up to our faith in them.

Annual Report of the Chief Executive Officer for 2004



A handwritten signature in cursive script that reads "David Sumner".

David Sumner, K1ZZ
Chief Executive Officer

To The Board of Directors of The American Radio Relay League

The world will little note nor long remember Broadband over Power Lines (BPL) as a means of delivering Internet connectivity to consumers—but for however short a period BPL is remembered, 2004 also will be remembered as the year that the Federal Communications Commission rushed to judgment on BPL.

BPL uses power lines—a medium that was not designed for the purpose—to provide broadband Internet connectivity. Because broadband signals are radio frequency signals and because power lines are not shielded, BPL interferes with nearby radio receivers. The frequencies used by what the FCC calls “Access BPL” are 1.705-80 MHz, which means that BPL threatens the short waves—the only part of the radio spectrum that has the unique ability to support long-distance communication without any infrastructure. By any reasonable standard, this is a natural resource that deserves protection.

Inexplicably, given that BPL is a very late and technically inferior entrant into the consumer broadband market, FCC Chairman Michael Powell is a self-described “cheerleader” for BPL. Abandoning the objective stance that is appropriate for the head of a regulatory agency, he has uncritically regurgitated the unsupported claims of BPL proponents.

The ARRL has been the most visible spokesman on behalf of radio spectrum users who are threatened by BPL interference. On October 14, the FCC adopted a Report and Order imposing new requirements on BPL systems. The rules adopted by the FCC are better than they would have been had we been silent, but do not go nearly far enough to protect the vital interests of over-the-air radiocommunication services. We will continue the fight into 2005, and beyond if necessary, to ensure that BPL does not become a pervasive cloud of spectrum pollution.

Fortunately, thanks to far-sighted planning of the ARRL Board of Directors and the continuing support of members, the ARRL is equipped to carry on this fight. In 2000 the Board recognized that the ARRL had to go beyond its traditional sources of revenue—membership dues, publications and advertising sales—and develop new sources of voluntary contributions. The Board was willing to absorb three years of deficits to get the new Development Program off the ground. In the years 2001 through 2003 the ARRL did indeed run deficits on operations, although the losses were less than planned. The plan was to return to a break-even or better result in 2004. Through a combination of cost containment and success in identifying new sources of revenue, including a successful 2005 edition of *The ARRL Handbook for Radio Communications*, we managed to do just that. Our success was due in no small part to the talents of Chief Operating Officer Mark Wilson, K1RO, whose decision to leave the staff in September to pursue other opportunities cast a bit of a shadow on a generally bright year.

While financial health is important, the most vital resource the ARRL has is its members—especially its active volunteers. As an avocation, Amateur Radio could never afford the professional staff that would be required to do all that is necessary for its protection, promotion, and advancement. As proud as I am of the staff, and as essential as is our daily work on behalf of Amateur Radio, members are the force that has kept the ARRL strong and healthy for its entire 90-year history—and will keep it strong, through our Centennial in 2014 and beyond.

MEMBERSHIP



Annual American Radio Relay League

ARRL Membership

At the end of 2004 ARRL membership stood at 151,727. Compared with year-end 2003, this figure represents a 1.8% membership loss for the year. New strategies for mailings and other solicitations assisted in reducing overall membership acquisition costs.

Test mailings revealed that a new appeal approach aimed at a smaller focused group would reduce costs and increase the number of members returning to our ranks. A Fall mailing, using this strategy, was extremely successful, more than doubling our usual number of returns.

Staff also revamped the content of the mailings sent to new hams, inviting them to join ARRL. These changes also resulted in a marked increase of new members.

Numerous non-ham organizations were studied to determine the potential for establishing a mutually beneficial relationships focusing on expanding membership count. This work led to the launch of a new program that will end in a formal Memorandum of Understanding in 2005 with the United States Power Squadrans. The agreement includes numerous activities that will bring boaters and ARRL members together.



Hams operate several maritime watch and distress frequencies where information of common interest to boaters, such as weather, is exchanged.

Numerous non-ham organizations were studied to determine the potential for establishing a mutually beneficial relationships focusing on expanding membership count.

Information

Information Products

Product sales exceeded forecasts in 2004 by over \$200,000, largely due to the overwhelming response to carefully crafted new product introductions. The most notable example was the 2005 edition of *The ARRL Handbook for Radio Communications*. Customer response to the product launch of this dramatically revised new edition was tremendous. A special reproduction of the "1st QST" was offered to customers who pre-ordered *The ARRL Handbook*. Sales surpassed all expectations and all recent sales history, exceeding \$300,000 in October.

ARRL's existing flagship study guide, *Now You're Talking*, continued to gain momentum with mainstream wholesale clients and surpassed sales goals by a wide margin.

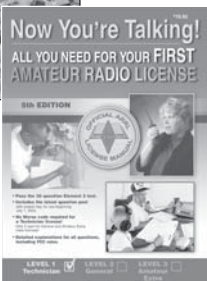
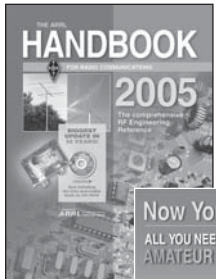
The Sales and Marketing Group are continuing to meet the challenges of supporting both direct sales and wholesale/dealer sales.

Advertising

Obtaining *QST* display advertising continued to be a rewarding experience in spite of client efforts to limit expenditures in this area. Staff took on the challenge one month at a time by showing clients new ways to employ ARRL's advertising products, and the advertisers responded positively to the variety of new specialty advertising opportunities that were offered. One extremely popular example was the *New Ham Express*, a 24-page, 4-color advertising booklet, mailed with our new-ham welcome packages.

As 2004 closed, advertising trends showed a slight improvement and staff took aggressive measures to successfully procure increased 2005 insertion commitments from a number of advertisers.

The advertisements in *QST* remain a primary source of information for Amateur Radio operators considering a purchase or simply following new developments in the service.



ARRL Offers the Latest in Amateur Radio News

Each month, ARRL's flagship publication *QST* offers the best in news and information to members of the Amateur Radio community through a wide variety of Amateur Radio news and feature articles. A large number of technical articles were submitted to the editorial staff during the second half of the year—enough to fill available pages well into 2005. In response to member feedback from a *QST* Reader Survey, more articles for beginners were published in the popular "Workbench" section of the magazine. The *QST* column "ARRL in ACTION," highlighting activities of ARRL leadership officials and staff, has also proven popular. ARRL's two special interest magazines, *QEX* for technical buffs and the *National Contest Journal (NCJ)* for contesting enthusiasts, remained popular with subscribers.

For those who want their news fast, our news editors bring readers **daily** news stories, updates on important issues, columns and more on the front page of the ARRL Web site.

The ARRL Audio News runs the top stories **weekly** and can be accessed via telephone or the Web. *The ARRL Audio News* is broadcast weekly over ham radio repeater systems nationwide. Additionally, the *ARRL Letter* was delivered via e-mail to nearly 66,800 members. This e-newsletter continues to gain subscribers each year.

ARRL Bulletins

Member services also include a full menu of special interest bulletins including regular information about contests, regional news, special (breaking news) bulletins, international DX stations and expeditions, radiowave propagation and Keplerian (satellite positions) information.

W1AW

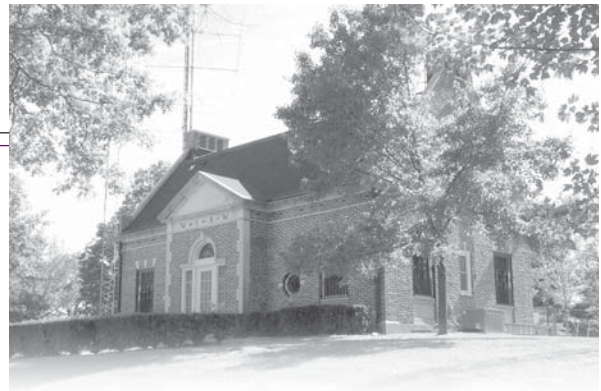
The most popular stop for any visitor is W1AW, the Hiram Percy Maxim Memorial Station. People from around the world come to see it and to operate the radios at this flagship of the Amateur Radio Service. W1AW is more than a showpiece; it is a full participant in many national and international activities each year.

In 2004, W1AW operated in the following events:

Both January and June's "Kid's Day" 2004; Straight Key Night (using the Straight Key taken from "Old Betsy," which was Hiram Percy Maxim's Spark Gap transmitter); Ten-Ten International 10-Meter SSB Contest; ARRL International DX SSB Contest (operated by classic rocker Joe Walsh, WB6ACU, and Bob Heil, K9EID, of Heil Sound); New England QSO Party; ARRL Field Day; ARES State Drills; Jamboree-On-The-Air; ARRL November CW Sweepstakes and Phone Sweepstakes, and SKYWARN Recognition Day.

In celebration of the ARRL's 90th anniversary, the station was active as W1AW/90 until the end of 2004. In celebration of the 135th anniversary of Hiram Percy Maxim's birth, during the first and second weeks of September, W1AW was active as W1AW/135.

W1AW is also the platform for many tests of new technologies, demonstrations of new equipment and services to the ham community. Regular news and code practice messages are sent and an annual Frequency Measuring Test is run. In 2004 a demonstration of radio-Internet linkage using WL2K (Winlink 2000—PMBO) was conducted.



W1AW, the Hiram Percy Maxim Memorial Station.

W1AW is more than a showpiece, it is a full participant in many national and international activities each year.



W1AW inspires all ages, including Kid's Day participants.



Bob Heil, K9EID, engineer and corporate leader, joins rock star Joe Walsh, WB6ACU at W1AW.



ARRL Lab Test Engineer Mike Tracy, KC1SX, teaches students at the US Telecommunications Training Institute held annually at ARRL headquarters.

Lab

ARRL's Lab is the Hub of Technical Expertise

The ARRL Lab staff continued to play an important role in ARRL's efforts to address interference associated with Broadband over Power Lines (BPL). The Lab prepared a number of technical papers to support ARRL's filings in the FCC BPL Notice of Proposed Rulemaking. Staff also continued to take measurements in BPL areas and support local BPL teams. They also significantly expanded the scope of the ARRL BPL Web page (www.arrl.org/bpl).

While the BPL effort was a major activity, staff remained committed to helping members with interference complaints and related issues, including other instances of power-line noise. Work with ARRL technical committees continued. ARRL has been an ongoing participant in the IEEE's BPL Study Group.

Staff continue to serve on the C.63 ANSI accredited committee and the Society of Automotive Engineers EMC committee. Ed Hare, W1RF1, was appointed to serve as the Chairman of the C.63 subcommittee on immunity of electronic devices. Other important networking opportunities with groups such as the Society of Cable Telecommunications Engineers occur on an ongoing basis.

ARRL members looked to the Technical Information Service (TIS) for help with a wide variety of technical issues. TIS staff provided assistance via telephone and e-mail, and also directed members to an impressive collection of on-line resources.

Lab engineers put 36 pieces of Amateur Radio equipment through rigorous tests in the League's "screen room" this year. The results were printed in *QST's* popular "Product Review" column, side by side with manufacturers' product specifications.



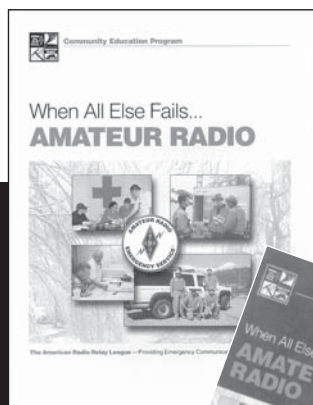
On-Line Courses

The last 6 months of 2004 saw a 53% increase over the last six months of 2003 for the number of students in our on-line technical classes. Jean Wolfgang, WB3IOS, aids members who sign up for our on-line technical, emergency communications and license courses. We began a new course, Radio Frequency Propagation, with 33 members in October and 60 more signed up before the end of the year. Percentages of registrants for technical courses during the last half of 2004 were:

- Antenna Modeling—21%
- Antenna Design and Construction—12%
- HF Digital—12%
- RFI—5%
- Technician License—24%
- Radio Frequency Propagation—19%

Community Education Program

ARRL always wants to tell the "ham radio story." In September, ARRL garnered a Corporation for National & Community Service federal grant for new Community Education Program (CEP). Bill Barrett, W1WJB, became the CEP coordinator with the goal to educate public officials, first responders and community leaders via presentations before 12 Citizen Corps Councils with aid from local ham clubs and ARES groups. Bill developed a *Power Point* presentation and talk, and a CD-ROM and booklet for the Citizen Corps. Additional goals of the grant include aiding hams in working with community leaders, developing action plans, and learning the communications needs of served agencies.



PUBLIC SERVICE

Public Service & Emergency Communications

Amateur Radio's Role in Public Service Vividly Displayed During Hurricanes and Tsunami

The 2004 Hurricane Season was an extra busy one, especially for the states of Florida and Alabama and the Caribbean islands that were in the direct path of these storms. Resulting floods from these tropical systems affected many portions of the eastern half of the United States.

From Hurricanes Charley and Frances to Ivan and Jeanne, Amateur Radio operators responded to provide much-needed communications before and after they struck. Radio amateurs assisted disaster-relief organizations, emergency management and operations centers, shelters and the National Hurricane Center.

On December 26, a magnitude 9.0 earthquake occurred off the Indonesian island of Sumatra creating a devastating tsunami. Amateur Radio operators from the region, including Sri Lanka, India, Indonesia and Thailand, helped emergency relief operations keep communication lines open. Often the hams were the only communications system still functioning.

The role of the Amateur Radio Service in emergencies remains undiminished. ABC Radio Networks' commentator Paul Harvey mentioned this during his noontime broadcast of March 12. "For all of our sophisticated technology, in any real disaster, our country still relies heavily on its hams—Amateur Radio hobbyists," Harvey said in the approximately one-minute spot. Among citizen volunteers in the US, he concluded, there are "none more unsung and certainly none more unpaid, than the hams."

Emergency Communications Course Grant Goals Met in 2004

The federal grant from the Corporation for National & Community Service (CNCS) concluded the second year in August on a successful note. Once again, 75% of registered students successfully completed their courses—1936 of 2595. Beginning early 2004, the grant objectives changed to include reimbursements to students for two additional, higher levels of on-line emergency communications training.

Our corporate grant from United Technologies Corporation (UTC) also saw a successful ending to the second grant year. 1054 of 1405 enrollees graduated and received full reimbursement of their registration fees.

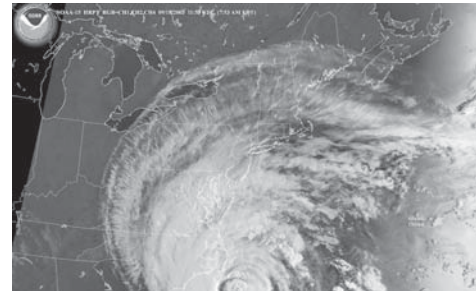
We are on track to meet—and most likely exceed—all goals for these grants as we move into the third and final year.

Education & Technology Program

While modern societies are becoming increasingly dependent on wireless technologies, there is very little understanding among average citizens of how wireless technology devices work. The aim of the ARRL Education and Technology Program (ETP) is to encourage schools to integrate wireless technology instruction in their curricula with the ultimate goal of raising the wireless technology literacy of our nation so that we can better utilize the technology to enrich their lives.

The ETP continues to support learning opportunities for students in wireless technology literacy. Thousands of students from the elementary school through the university level participated in programs supported by ETP grants. The ETP expanded its portfolio of offerings to schools to include not only grants of ham radio station equipment, but also grants of focused lesson project kits, free and downloadable curriculum materials, and a teachers institute in-service training

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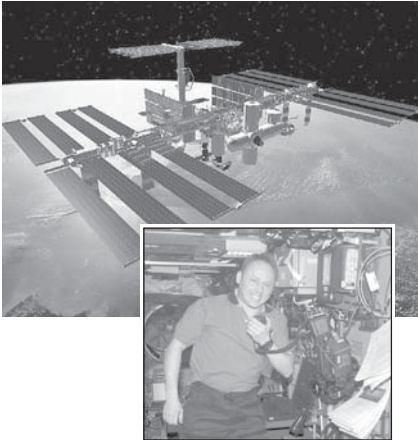
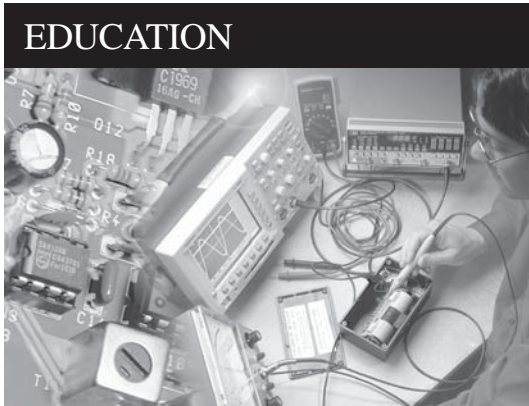


After the tsunami hit, Murthy, VU2DVO (left), and Ram Mohan, VU2MYH, operate as VU4NRO on hard-hit Car Nicobar Island.



From local incidents to continental disasters, ARES serves the needs of many volunteer organizations.





Recognizing the value of Amateur Radio, NASA encourages astronauts to become hams.



Scouts enjoy operating Amateur Radio at camp outs around the world on JOTA weekend.



Field Day activities provide education and fun.



opportunity. Recognizing that in order for teachers to teach wireless technology literacy, they needed to hone their instructional skills in the content, the ETP began the Teachers Institute in the summer of 2004. The institute curriculum is an intensive one-week teacher in-service that provides instruction in how to teach wireless technology, what is a micro-controller and basic robotics. The ETP program funds travel, lodging and per-diem, and provides curriculum and resource materials. Teachers leave the institute with the experience and activity ideas that can immediately be integrated into their classrooms at home.

The Amateur Radio on the International Space Station (ARISS) program has been part of the ISS since November 2000. This project, sponsored by ARRL, NASA and the Radio Amateur Satellite Corporation (AMSAT), gives students a chance to talk with the US astronauts and Russian cosmonauts living on the space station.

The ARRL continues to network with other education-based groups to build partnerships focused on educational improvement. Working with NASA, the ARRL highlighted Amateur Radio in school activities at national education conventions (National Science Teachers Association, International Technology Education Association, and National Council of Teachers of Math) that were attended by over 42,000 of our nation's top science and math teachers.

Additional on-air events such as the Jamboree on the Air (JOTA) for scouts, the ARRL-sponsored Kid's Days, and the School Club Roundup, gave children of all ages the opportunity to get on the air and have fun making friends and learn more about Amateur Radio.



Licensing

The ARRL Volunteer Examiner Coordinator is one of 14 VEC organizations and conducted approximately 70% of the amateur licensing examinations in the US in 2004.

At 5144 test sessions conducted in the US (and in a few foreign areas to serve US citizens' interests) 24,636 persons were served, taking 30,072 exams. Of them 15,931 received a new license or upgrade for their efforts.

The ARRL VEC continues to participate as a member of the National Conference of VEC's Question Pool Committee and saw the implementation of a revised Element 3, General class question pool, for examination use by the Amateur Community.

As one of four FCC-authorized Club Station Call Sign Administrators, the ARRL VEC processed and transmitted over a thousand club licenses for the FCC. ARRL is also one of five FCC-authorized 1x1 Special Event Call Sign Coordinators, and processed nearly 95% of the 3100 Special Events authorized and documented in 2004.

ARRL VEC also processed and transmitted electronically to the FCC nearly 10,000 address changes/license renewals for ARRL Members in 2004, and issued 115 International Amateur Radio Permits (IARPs) for instant operating authority by US amateurs when traveling to participating Central and South American countries.

QSL/Contests

The year 2004 saw the greatest amount of participation in ARRL contests ever. In addition, Field Day—the annual exercise that tests emergency preparedness—saw over 33,000 persons participating at thousands of sites in all 50 states. Hundreds of local and state governmental emergency management officials, as well as hundreds of representatives of served agencies—from the American Red Cross and Salvation Army to hospital and public safety staff and personnel—visited Field Day sites in June. In 15 other ARRL events, thousands of amateurs participated in various on-the-air radio contests—testing their operating skills or simply having fun.

ADVOCACY



Legal—Advocacy

ARRL Educates Capitol Hill About Amateur Radio's Benefits

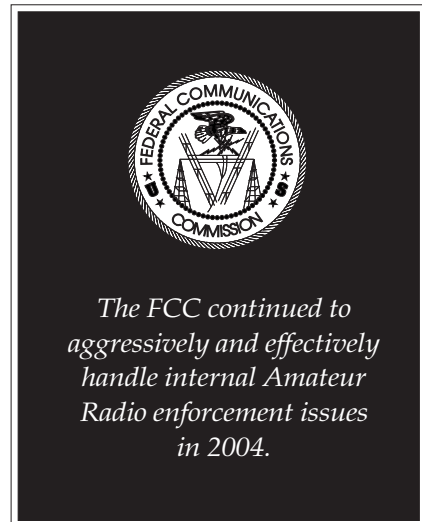
The ARRL retains Chwat & Co., Inc. of Alexandria Virginia as its legislative relations consultant. Working with ARRL volunteers and staff, Chwat & Co. coordinates our ongoing efforts to educate our federal elected officials and their staffs about the benefits radio amateurs provide to the nation. Two bills were introduced in the 108th Congress to support the Amateur Radio Service. The "Amateur Radio Spectrum Protection Act," HR 713 and S 537, a bill to require the FCC to provide equivalent replacement spectrum if it reallocates amateur spectrum, attracted 109 sponsors and co-sponsors in the House and nine in the Senate. HR 1478, "The Amateur Radio Emergency Communications Consistency Act," sought to extend the FCC's authority to require "reasonable accommodation" of radio amateurs' antenna needs to private land use rules; it gained 37 sponsors and co-sponsors. Unfortunately, neither bill progressed past committee referral in the 108th Congress. While no legislation concerning Broadband over Power Lines (BPL) emerged, steps were taken to ensure that the Hill was aware of the risk of interference to vital radiocommunication services.

FCC

The Federal Communications Commission is the US government agency charged by Congress to regulate communications involving radio, television, wire, cable and satellites. This includes Amateur Radio.

In April 2003, the FCC released its Notice of Inquiry (NOI) on the deployment of Broadband over Power Line (BPL) technology. ARRL filed its substantial concerns about BPL during the comment period, and included lab studies documenting BPL interference on Amateur Radio frequencies. In October 2004 the FCC issued its Report and Order (R&O) allowing BPL installations to proceed despite known interference issues and an inadequate emissions measuring protocol still based on single point radiators. The decision process, which was remarkable for its irregularities and questionable objectivity, ended with the promise of rapid mitigation of any incidents of harmful interference to Amateur Radio and other licensed activities. By the end of the year, petitions and requests for compliance with that promise were still unanswered.

The FCC continued to aggressively and effectively handle internal Amateur Radio enforcement issues in 2004. The ARRL remains very pleased with the outstanding work of the FCC's Enforcement Bureau dealing with these matters, and we look for similar positive actions in the BPL harmful interference cases.



International Telecommunication Union (ITU)

Because radio waves do not stop at national borders, Amateur Radio is also governed by international *Radio Regulations*, administered by the ITU, a specialized agency of the United Nations responsible for frequency allocations to radio services worldwide. The ITU is where 189 Member States and some 620 Sector and 100 Associate Members collaborate on the use of radio spectrum and set standards. ARRL is active in the work of the ITU Radiocommunication Sector (ITU-R) and supports the International Amateur Radio Union (IARU) in its mission at the ITU and regional telecommunications organizations.

The ARRL Technical Relations staff participates in regular meetings in Washington, DC to prepare for international meetings of the ITU and the regional telecommunications organization of the Americas, known by the Spanish acronym CITEL. The year 2004 saw the start of some European countries implementing the 7100-7200 kHz band allocated to the amateur service in Regions 1 (Europe, Africa and Arab States) and 3 (Asia-Pacific) at WRC-03 even though the effective date is in 2009. Also,

(continued on next page)



ITU Headquarters—Geneva, Switzerland



Bharati Prasad, VU4RBI, operates a ham radio near Andaman Island for local navy cadets.

2004 marked early preparations for the 2007 World Radiocommunication Conference (WRC-07). ITU and CITEL studies will continue over several years.

Technical Relations Specialist Walter Ireland, WB7CSL, represented ARRL at meetings of the ITU-R Task Group 1/8 for the purpose of establishing standards to minimize interference from Ultra-Wideband (UWB) devices to radio services. He also led the US delegation to meetings of Working Party 6E (terrestrial broadcasting). Technical Relations Specialist Jonathan Siverling, WB3ERA, participated in CITEL meetings and ITU-R spectrum management Working Parties. Chief Technology Officer Paul Rinaldo, W4RI, chaired the Working Party 8A group on the amateur and amateur-satellite services.

International Amateur Radio Union (IARU)



The IARU, founded in 1925, is a worldwide federation of national Amateur Radio societies with members in 159 countries and separate territories, broken down into three "Regions." ARRL is a founding member of IARU, the International Secretariat and a member of Regions 2 and 3.

In voting completed March 16, the member-societies of the IARU overwhelmingly ratified the re-election of Larry E. Price, W4RA, as president, and the election of Timothy S. Ellam, VE6SH/G4HUA, as vice president. Both will serve five-year term. Ellam succeeds Dr. David A. Wardlaw, VK3ADW, who served as vice president since 1999.

At its January meeting, the ARRL Board of Directors removed paragraph 1.c) from the criteria for determining a DXCC Entity. This provision, implemented in 1998 as part of the DXCC 2000 Program, had provided that "An Entity will be added to the DXCC List as a Political Entity if it...has a separate IARU Member Society." Since that time, the rule has allowed for the addition of four new DXCC Entities and the retention of one existing Entity. The provision also had the unintended consequence of stimulating applications for IARU membership that do not further the objectives of the IARU, creating an administrative burden.



The IARU flag flies at ARRL Headquarters, which serves as the IARU International Secretariat.

Public Relations

Jennifer Hagy resigned the position of Media Relations Manager in the summer of 2004 and was replaced by Allen Pitts, W1AGP, as the Media and Public Relations Manager on September 20, 2004. The change in title and addition of Public Relations was seen as a charge not only to provide media relations service, but to proactively cultivate positive attitudes in the public toward the people of Amateur Radio.

In this regard, the ARRL Toy Drive for the children left homeless in central Florida by the hurricanes of September was very successful and there were numerous "hits" in local papers, radio, Web sites and on public television. The unique opportunity also led to the formation of unusual alliances between many clubs, schools and local businesses.

Through the efforts and motivation of the country's PICs and PIOs, the public relations function continues to succeed. In the belief that "All news is local," the ARRL provides materials and support for these volunteers to disseminate. The monthly *CONTACT!* Web-based newsletter was re-established and a special CD was created containing all the critical information a new PIO may need right on the disk. Over 300 PR and media volunteers regularly receive information via e-mail and the Web for local media dissemination.



Carol Hodnett, a Director at the United Way site in Florida.

Report

2004 Annual Report

Development

ARRL Development shines in 2004

After more than three years of operation, the Development Office provides an increasingly important source of revenue for ARRL.

In 2004 fund raising strategies continued to refine existing programs and test tactics to maximize contributed revenues with increased efficiency. The overall 2004 Development goal remained the production of solid net revenues to support general operations and specific ARRL programs not funded by member dues.

The ARRL Diamond Club

The core of operating revenue in 2004 remained in the hands of the ARRL Diamond Club. Nearly 1500 ARRL members participate in the Diamond Club financially, giving ARRL the flexibility to use those contributions where they are needed most.

Development worked with Circulation to expand the Diamond Club program and to simplify and clarify the relationship between membership and the Diamond Club in the member renewal process. Efforts to renew existing Diamond Club donors continued throughout the year with good results — the renewal rate has jumped 10% over 2003, and the average contribution for Diamond Club donors reached \$127—an increase of more than \$10. Overall, the performance of the Diamond Club in 2004 produced \$144,175.

The challenge remains to market the Diamond Club directly and effectively to the entire ARRL membership and to establish the ARRL Diamond Club as the new membership paradigm.

The ARRL Maxim Society is an extension of the Diamond Club, recognizing the cumulative lifetime giving to all ARRL programs of \$10,000 or more. The Maxim Society now numbers nine participants who have been recognized with personalized plaques. To build awareness of this aspect of annual giving, members whose lifetime giving exceeds \$5000 were contacted to update them on their lifetime giving status, and to encourage consideration of the Maxim Society as a goal when they planned their contributions during the year.

Spectrum Defense remains top priority

2004 was the second year that the Spectrum Defense Fund benefited from two fund raising campaigns. Interest in the BPL issue remained strong.

Based on discussions during the fall planning process, on the outcome of the strategic planning process and on continuing attention given to the BPL issue, Spectrum Defense emerged as the most important fund raising campaign for 2004. Spring and fall campaigns produced total revenues of \$542,904.

Education & Technology Fund launches successful teacher training

Since the Education & Technology Fund was sufficient to support the project in 2004, the campaign for funding was reduced. Even so the funds raised from individual members totaled more than \$92,800. In addition, a \$25,000 grant from the Brandenburg Life Foundation funded the pilot Teachers Institute—the successful landmark project designed to give teachers training and hands-on experience in teaching wireless technology.



*When it comes to the
Radio Spectrum...*



*...the defense
never rests!*





With 41 commitments and more than 215 prospects, the ARRL Legacy Circle was off to a strong start. With the formal adoption of the ARRL Endowment and its operational guidelines in January 2004 to receive planned and estate gifts, ARRL is poised to add to its financial security.

Member Loyalty Program launched

The **Member Awards Program** was moved to Development in July 2004. After a planning period, 2700 members of 50-, 60-, 70- and 80-year duration received a congratulatory letter, certificate and pin, plus a Diamond Club pin and decals, honoring their loyalty. The response to the new program has been overwhelmingly positive.

Year End Giving Program tested

A test campaign was mailed near the close of 2004. The \$21,666 raised from 673 donors during this December campaign increased the Development contribution to the overall ARRL budget.

Creative Corporate Matching Gifts

In 2004 two ARRL members found a creative way to generate corporate matching funds from their employers. One member, working at ExxonMobil, learned that his employer would not match their contributions with cash, but that they would match volunteer hours with cash. So he initiated matching contributions of \$500 every quarter based on his hours of Amateur Radio public service activity. A Microsoft employee member made a personal contribution that leveraged software licenses for ARRL valued at nearly \$2500.

WIAW Endowment makes gains

The campaign to create an Endowment for W1AW was a key first step toward the ultimate goal of raising \$2 million. The 2004 effort netted more than \$113,800 from 1913 donors, including 18 multi-year pledges that reflect \$72,900 in commitments to the W1AW Endowment. The 2004 campaign laid an important foundation to endow the Hiram Percy Maxim Memorial Station.

Planned Giving growth continues

With 41 commitments and more than 215 prospects, the ARRL Legacy Circle was off to a strong start. With the formal adoption of the ARRL Endowment and its operational guidelines in January 2004 to receive planned and estate gifts, ARRL is poised to add to its financial security. In 2004 distributions from the Kainen estate and the Marion Evans Trust, along with the W1AW Endowment revenues, have added the first significant revenues to the Endowment that now totals \$325,206.

2004 saw the development of the *Legacy Circle Letter*, an information newsletter that is mailed to Legacy Circle members, planned giving prospects and ARRL members. The newsletter format focuses on information about planned giving vehicles and opportunities.

Combined Federal Campaign (CFC)

In 2004 ARRL realized revenues totaling \$12,735 from its participation in this national federal campaign.

Donor Recognition builds solid relationships

In 2004 the ARRL celebrated the generosity of major donors with listings in the ARRL Annual Report, in *QST* and on the ARRL Web site. The third annual Donor Recognition Reception was held at the Air Force Museum in Dayton, Ohio in conjunction with the Dayton Hamvention. ARRL Development hosted more than 80 donors and prospects. Joe Rudi, NK7U, was the guest of honor and shared some of his memories of Amateur Radio and his outstanding baseball career.

In March 2004 rock guitarist Joe Walsh, WB6ACU, and Bob Heil, K9EID, visited ARRL Headquarters, operated W1AW and arranged for the successful delivery of vintage AM equipment to W1AW.



ARRL President Jim Haynie, W5JBP, greets honored guest Joe Rudi, NK7U.



The Maxim Society welcomes Ken Fath, N4KF. Left to right, Carter Craigie, N3AO; ARRL 2nd Vice President Kay Craigie, N3KN; Ken Fath, N4KF; ARRL President Jim Haynie, W5JBP; David Brandenburg, K5RQ; Judy Dicso and Jim Dicso, K2SZ.

Report

2004 Annual Report



Level I, II and III training courses have made a dramatic improvement in EmComm activities.

Grants support Emergency Communications Training

Funds from the Corporation for National & Community Service (CNCS) provided \$120,000 for ARECC training in 2004. The third and final year of the CNCS Emergency Communications grant was approved. In addition, CNCS also awarded ARRL a new pilot grant of nearly \$90,000 for the Amateur Radio Community Education Program to educate Citizen Corps community leaders in 12 communities about Amateur Radio and its role in emergency preparedness and response.

In addition, the second year of the United Technologies grant for ARECC training arrived in early 2004 to train 1000 hams during the year. These funds were used primarily for Level II and Level III training, with some Level I. As of December 31, 2004 the program certified 1004 radio amateurs, exceeding the goal for the second year of this national grant.

ARRL received a special grant of \$3000 from CNCS through the New York State Citizen Corps Council to recognize NY State Volunteers for training and service in emergency communications.



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** ★★



Summary

In 2004 Development generated \$1,264,294 in contributions from 16,735 donors, or 11% of the total membership. Looking at contributions by division as a percentage of members in each division, the leading division is Hudson Division with 11.8% of members contributing. Southwestern Division is a close second at 11.2% and there is a tie for third at 10.8% for Atlantic and Pacific Divisions. The New England Division is in fifth place at 10.6%.

Development has become an increasingly important revenue source for ARRL. The relationships fostered through campaigns, events and member recognition are vital to the continuing success of fund raising at ARRL.

The American Radio Relay League is proud to honor those individuals and organizations whose 2004 contributions support projects not funded by member dues, including participation in **The ARRL Diamond Club, The ARRL Maxim Society, The Spectrum Defense Fund, The Education & Technology Fund, and The W1AW Endowment.**

10-70 Repeater Association, Inc.
Alicia W. Abell, KG6LJ
and David A. Abell, K6XG
ARA of Long Beach Inc.
Merit R. Arnold, W6NQ
Baker Family Foundation, W5IZ
Don Barber, K8GV
Dave Bell, W6AQ
Boulder County Hams/
Boulder Antenna Legal Defense Fund
David W. Brandenburg, K5RQ,
Brandenburg Life Foundation*
Vern J. Brownell, W1VB
Bruce Burnette, K5PX
Frank M. Butler Jr., W4RH
Randy Bynum, NR6CA
Vivian A. Carr

Central States VHF Society
Thomas Clements III, K1TC
Robert L. Conder Jr., K4RLC
Stephen H. Cornell, K4AHA
Corporation for National
and Community Service
Carter W. Craigie, N3AO*
and Kay Craigie, N3KN*
Max W. Dahlgren, NN5L
James E. Davis, W4VOL
Lawrence J. De George, W1ISV
James A. Dicso, K2SZ*
Frank Donovan, W3LPL
Donald L. Doughty, W6EEN
Estate of James S. Evans
and Marion G. Evans
ExxonMobil Foundation

Farallon Electronics
Kenneth A. Fath, N4KF*
Robert G. Ferrero, W6RJ
Robert G. Ferrero Jr., W6KR
Frankford Radio Club
James C. Garland, W8ZR
Ted F. Goldthorpe Jr., W4VHF
and Itice R. Goldthorpe, K4LVV
B. Whitfield Griffith, N5SU
Elliott A. Gross, KB2TZ
The Gryphon Fund*
Alfred E. Hampton, W4BMO
Joseph K. Hildreth, KL7DWE
Henry H. Hunt, W1ORI
Thomas J. Hutton, N3ZZ

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IBM

George R. Isely, W9GIG
W. R. (Dick) Jackson Jr., W3EZ
James L. Jaeger, K8RQ
Andrew C. John, MD, JD, AD5FX*
Jon Kannegaard, K6JEK
R. Gregory Lande, N3QEP
and Brenda N. Lande, N3QEQ
David A. Lanus, KE8XT
Alfred A. Laun III, K3ZO
Don Lisle, K6IPV
Willis C. Mack, N1HAI
Bruce S. Marcus, N1XG*
Robinson Markel, W2IVS
Charles R. Mason Jr., KD6HXQ
J. Dalton McCrary, W4WUQ
Stephen Meer, K0SCC
Barry W. Merrill Jr., W5GN*
and Judith S. Merrill, KA5PQD*
Microsoft Employees
Matching Gift Program
Microwave Update 2004 Sponsored
By North Texas Microwave Society
Richard J. Mondro, W8FQT
Frank M. Mroz, W1COL
William C. Mueller, W5VSD

Northern Illinois Amateur
Repeater Club, W9ZGP
Tod Olson, K0TO
Larry E. Price, W4RA
Peter Radding, W2GJ
Michael M. Raskin, W4UM
and Sherry L. Raskin, W4SLR
Stan Reubenstein, WA6RNU
John Richards, KL7XR
Paul L. Rinaldo, W4RI
The Rochester VHF Group
Ulrich L. Rohde, N1UL
C. Wayne Schuler, AI9Q
Claudie & Herb Schuler, K2HPV
Richard L. Scott, W8FDN
Paul D. Sergi, Sr., NO8D*
Dr. Beurt SerVaas, W9WVO
L. Dennis Shapiro, W1UF*
Harvey T. Stephenson, WB0QKE
Stillwater Amateur Radio Association
Roger A. Strauch, KD6UO
Thomas K. Snell, K4HCW
David S. Topp, W5BXX
Kyle H. Turner, Jr. KF0NK
United Technologies Corporation

Michael D. Valentine, W8MM*
Joseph F. Walsh, WB6ACU*
Dick Weber, K5IU
Steve West, W7SMW
and Donna Karam, KC5FTN
John K. Williams, K8JW
Owen Wormser, K3CB
YASME Foundation
Michael J. Zak, W1MU
Anonymous – 31

*Member of the ARRL Maxim Society

The ARRL Legacy Circle honors individuals who have included ARRL in their will or other estate plans.

Marcia E. Baulch, WA2AKJ
Dave Bell, W6AQ
S. Clint Bradford, K6LCS
Kenneth M. Gleszer, W1KAY
Fried Heyn, WA6WZO
and Sandra M. Heyn, WA6WZN
Robert M. Kares, K3SUH
Robert J. Kelemen, W1US
David L. Kersten, N8AUH
Richard J. Mondro, W8FQT
Karl H. Muller, W3UBQ
Lawrence Quinn, N1LCV
and Wendy Quinn, W1DY
Barbara and George Race, WB8BGY
Michael M. Raskin, W4UM
and Sherry L. Raskin, W4SLR
John P. Rautenstrauch, N2MTG
Alfred C. Rousseau, W1FJ
Joseph J. Schroeder Jr., W9JUV
Claudie & Herb Schuler, K2HPV
Rev. Leslie J. Shattuck Sr., K4NK
John J. Thornton, WM6R
and Jane M. Thornton, KF6QHP
James E. Weaver, K8JE
and Janice E. Weaver
Martha E. Wessel, K0EPE
and Walter A. Wessel, W0CM
Lee R. Wical, KH6BZF
Anonymous – 19





ARRL Headquarters—
Newington, Connecticut

ARRL Met Financial Challenges Head-On and Wins

One of our major objectives entering the year was to return the organization's financial bottom line whereby revenues exceeded expenses. We had made a conscious decision to invest funds in selected new programs and projects and, as a result, produced a loss from operations during the past three years.

However, after the three years of planned financial losses, 2004 saw a return to a modest excess of revenues over expenses from operations. This result was not achieved without making difficult allocation decisions regarding the limited resources of the organization. Priorities were established and expenses were carefully managed to allow for continuation of programs deemed important to our mission.

Total revenues from our traditional sources were up slightly from the prior year. As membership declined slightly in 2004, dues were slightly less than the prior year. Sales of advertising, as across the entire print industry, continued to be soft, resulting in a decline in revenues from this source. Activity levels in ARRL programs were also less than in 2003 and program fees were off as well. However, offsetting these slight decreases from the prior year, revenues from sales of ARRL publications and other products grew in 2004. Buoyed by a very strong response to the new edition of *The ARRL Handbook*, one of our most popular titles, revenues from this segment of our operations increased over 7% in 2004.

The generosity of the membership in response to our appeals for voluntary contributions for programs like the Education and Technology Project and the Spectrum Defense Fund grew in 2004. In addition we introduced the ARRL Diamond Club, which rewards members for contributions above and beyond their normal membership dues. The response of the overall membership to these initiatives is appreciated by the organization as we would not be able to do all we do without them. Looking to the future, the League was the beneficiary of several estate bequests in 2004 which, as agreed to by the Board of Directors, were put into the general endowment to begin to build a strong financial base, the income from which can be used to support operations going forward.

Continuing a theme we have seen for the past several years, and with revenues not showing particularly strong growth, expense control was again a major objective for the year. As noted above, priorities had to be established and strict expense guidelines adhered to. As a result, we were able to reduce the total spending of the organization by almost 4% in 2004 in comparison to the prior year. This was a significant factor in our ability to return the organization to a modest gain this year.

The financial markets also contributed, independently, to our increased financial position. By the end of 2004, through prudent management and the strengthening in the financial markets, the value of the organization's investments had increased by almost \$375,000.

All of this helped produce a positive cash flow for the organization, something we have not shown in the past three years because of our strategy to invest a portion of our resources in specific projects and programs. Positive cash flow is an important component of our plans as we look into the future.

Financially, we met our objectives in 2004, but our work in this area is far from over. 2005 is a new year which will bring significant new challenges and opportunities. We will need to continue down the path we began in 2004 if we are going to meet the organization's overall objectives and, at the same time, continue to provide the wide array of programs and services we have delivered over the years.

Continued focus on revenue growth and expense control will be required if we are to strengthen the organization's financial position into the future and support our long-term goals and objectives.



American Radio Relay League

Board of Directors
January, 2004

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Jim Fenstermaker, Twila Greenheck, Joyce Birmingham, Mike Raisbeck, Bob Vallio, Jim Haynie, Joel Harrison, Bernie Fuller, Coy Day, Tuck Miller, Jim Weaver

Second Row:

Dennis Motschenbacher, Rod Stafford, Wayne Mills, Fried Heyn, Mark Wilson, Walt Stinson, Mary Hobart, Bill Edgar, Leslie Shattuck, Rick Roderick, Barry Shelley

Third Row:

Paul Rinaldo, Chris Imlay, Daniel Lamoureux, John Kanode, Kay C. Craigie, Frank Butler, Sandy Donahue, James McCobb, Dennis Bodson, George Isely, David Sumner

Fourth Row:

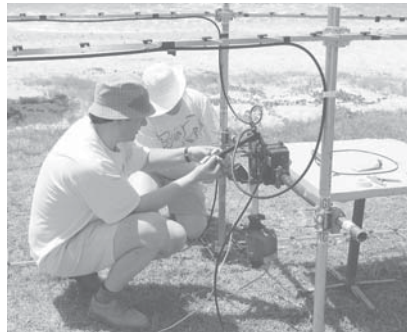
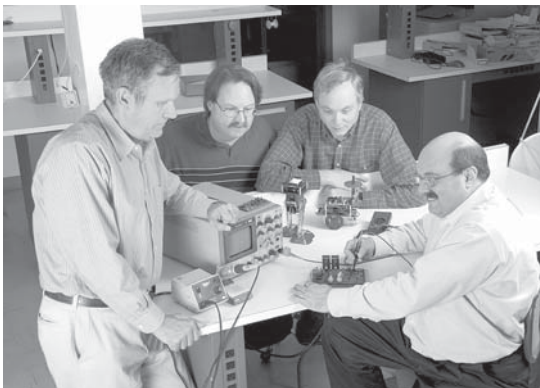
Dave Patton, Bruce Frahm, Tom Frenaye, Frank Fallon, Wade Walstrom, Henry Leggette, Andy Oppel, Art Goddard, David Woolweaver, Jay Bellows, Howard Huntington



ARRL 2004 Annual Board Meeting

Windsor, Connecticut

AMATEUR RADIO —



- Public Service
- Advocacy
- Education
- Membership

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Rodney Stafford, W6ROD
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International Affairs
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Rocky Mountain Division

Walt Stinson, W0CP
Director
Denver, Colorado

Warren "Rev" Morton, WS7W
Vice Director
Casper, Wyoming

Southeastern Division

Frank Butler, W4RH
Director
Ft. Walton Beach, Florida

Sandy Donahue, W4RU
Vice Director
Atlanta, Georgia

Southwestern Division

Art Goddard, W6XD
Director
Costa Mesa, California

Tuck Miller, NZ6T
Vice Director
National City, California

West Gulf Division

Coy Day, N5OK
Director
Union City, Oklahoma

Dr. David Woolweaver, K5RAV
Vice Director
Harlingen, Texas

Haggett Longobardi
[Independent Auditors' Report \(Click Here\)](#)



The Radio Amateur is

PATRIOTIC...

station and skill always
ready for service
to country and community.

—from The Amateur's Code

BASIS AND PURPOSE OF THE AMATEUR SERVICE

(a) Recognition and enhancement of the value of the amateur service to the public as a voluntary noncommercial communication service, particularly with respect to providing emergency communications.

(b) Continuation and extension of the amateur's proven ability to contribute to the advancement of the radio art.

(c) Encouragement and improvement of the amateur service through rules which provide for advancing skills in both the communication and technical phases of the art.

(d) Expansion of the existing reservoir within the amateur radio service of trained operators, technicians and electronics experts.

(e) Continuation and extension of the amateur's unique ability to enhance international goodwill.

Title 47, Code of Federal Regulations



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