



Thirteenth Status Report under ICANN/US Government Memorandum of Understanding

Quarter ending 30 March 2006

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Report by ICANN to United States Department of Commerce Re: Progress toward Objectives of Memorandum of Understanding

This document is offered as ICANN's Thirteenth Status Report on its completion of tasks under the "Memorandum of Understanding Between the U.S. Department of Commerce and the Internet Corporation for Assigned Names and Numbers" and the related Amendments 1 through 6 (collectively referred to herein as the "MOU"). The Sixth Amendment was entered into between the parties on 17 September 2003 and is scheduled to expire on September 30, 2006 (it is referred to herein as "Amendment 6"). This Thirteenth Status Report describes progress towards the completion of ICANN's tasks under the MOU, including implementation of ICANN's Strategic Plan in accordance with Section II.C.15 of Amendment 6.

Section II.C of Amendment 6 calls for ICANN to perform activities and provide the resources in support of the DNS, in conformity with the ICANN Board-approved mission and core values and in furtherance of its ongoing reform efforts. What follows below is a listing of each activity as called out in the Amendment 6, followed by a description of progress towards completion.

Even where terms have been previously fully satisfied, ICANN has continued to work to improve performance in every area of its operations and continues to report on those improvement efforts within many of the sections below even though such efforts exceed the baseline criteria described in the MOU. This reporting is done in the spirit of this document and in an effort to describe ICANN's achievement of attaining the stability and robustness required of a fully-functioning, independent organization.

Section II.C

1. Continue to provide expertise and advice on private sector functions related to technical management of the DNS.

ICANN continues to provide expertise and advice in many important aspects of DNS management. This interaction has resulted in additional positive outcomes, over and above the results described in the October 2005 report, as follows:

- ICANN's Security and Stability Advisory Committee (SSAC) released two advisory reports:
 - Report on Alternative TLD Name Systems and Root Name Services: in which the SSAC considered conditions and factors that could accelerate fragmentation, destabilize root name service, and alter the existing name system management framework. The report considered the impact on Internet users and service providers (ISPs), domain name registrants, and registries that operate under agreements with ICANN. See, <http://www.icann.org/committees/security/alt-tlds-roots-report-31mar06.pdf>.
 - Security Advisory for DNS Distributed Denial of Service Amplification Attacks: describing events where name servers hosting Top Level Domain zones were the repeated recipients of extraordinary heavy traffic loads. This advisory describes representative incidents, identifies the impacts, and recommends countermeasures that TLD name server operators can employ for immediate and long-term relief from the harmful effects of these attacks. See, <http://www.icann.org/committees/security/alt-tlds-roots-report-31mar06.pdf>.
- In order for the full resources of the Internet to be available to all users globally, service and application providers must make accessible the complete list of top-level domains (TLDs). In some cases, TLDs with identifiers of more than three letters, e.g., .museum, .info cannot be accessed due to improperly written ISP or other applications. To promote accessibility of up-to-date TLD information, ICANN created a web-based area on "Universal Acceptance of TLDs." See, <http://icann.org/topics/TLD-acceptance/>.
- ICANN has taken several significant actions toward deployment of Internationalized Domain Names (IDN) at the top-level:
 - The working group of registries revised the current version of the Guidelines for Implementation of IDNs (version 2.0 and subsequently, version 2.1). The ICANN Board resolution of 8 November 2005 endorsing the v.2.0 Guidelines "task[ed] the IDN working group to continue its important work and return to the board with specific IDN improvement recommendations before the ICANN Meeting in Morocco, currently scheduled for June 2006." See, <http://www.icann.org/announcements/announcement-27feb06.htm>, and <http://www.icann.org/topics/idn/implementation-guidelines.htm>.

- The President's Advisory Committee for IDNs requested modifications to the IANA repository for IDN tables that has been and will continue to be modified in accordance with community needs. This will ensure that a single repository for IDN tables is available for all registries that implement IDNs as the IDN guidelines go through revisions. See, <http://www.iana.org/assignments/idn/>.
 - The President's Advisory Committee also approved a timetable leading to the testing of IDNs in top-level domains. The timetable contains a series of consultations and collaborations to ensure that the testing, when launched, will preserve DNS stability and security. The timetable calls for the start of testing in July 2006. See, <http://www.icann.org/announcements/announcement-14mar06.htm>.
 - ICANN conducted an IDN TLD Workshop at its Vancouver meeting (see, <http://www.icann.org/meetings/vancouver/idn-workshop-agenda-30nov05.htm>) and held sessions with individual constituencies at the Wellington meeting to provide training and information.
- ICANN continues to support registrars around the world with regional outreach sessions. In October 2005 meetings with registrars were held in Kuala Lumpur, Malaysia and Seoul, South Korea. Meetings took place in conjunction with other conferences as well, including a session held in Silicon Valley in February 2006. Scheduling is underway for a European meeting in May 2006 and one in the Middle East in June 2006.
 - Since December 2004, ICANN has been engaged in an application and evaluation process for the allocation of new sponsored TLDs (sTLDs), a focused subset of gTLDs. Since the last report, .cat has entered the root zone. ICANN is still in negotiations for the designation of four potential new sTLDs.
 - ICANN's Board approved the latest version of the ICANN's Strategic Plan. ICANN has taken additional recommendations for improvements to the Strategic Plan as a result of consultations at the ICANN's meetings in Luxembourg, Vancouver, Wellington, and other in-person and on-line venues. See, <http://www.icann.org/strategic-plan/strategic-plan-29mar06.pdf>. Also, in accordance with its planning calendar, ICANN posted [a draft version of the 2006-07 annual Operating Plan](#), comprised of projects to be undertaken in order to achieve the goals set out in ICANN's Strategic Plan.
 - An expert team of researchers from the Public Policy Group of the London School of Economics and Political Science (LSE) was appointed by ICANN as the independent reviewers of the Generic Names Supporting Organization (GNSO). See, <http://www.icann.org/announcements/announcement-02mar06.htm>. The goal of the review is to determine whether any change in structure or operations is desirable to improve the effectiveness of the GNSO.

- ICANN announced the adoption of a new consensus policy for considering new registry services (the "Process for Consideration of Proposed Registry Services," see, <http://www.icann.org/minutes/resolutions-08nov05.htm>). In addition, ICANN's Board approved the nomination of Lyman Chapin as the Chair of the Technical Standing Panel for review of new registry services. See, <http://www.icann.org/announcements/announcement-26jan06.htm#job-desc>, and <http://www.icann.org/minutes/resolutions-31mar06.html>.
- ICANN's Board approved a number of Bylaw changes as a result of the execution of the first ccNSO Policy Development Process (see, <http://www.icann.org/minutes/resolutions-28feb06.htm> and <http://www.icann.org/announcements/announcement-21dec05.htm>).
- ICANN published a Background Report describing the work of the member organizations of the Number Resource Organization (i.e., the Regional Internet Registries or RIRs) in support of the development of a global policy for the allocation for IPv6 resources. See, <http://www.icann.org/announcements/ipv6-report-21oct05.htm>.
- ICANN has provided opportunities for promotion of DNSSEC to its constituents by offering expertise to the community and workshops at ICANN meetings. Many of the developers of DNSSEC are directly involved in the ICANN process and their expertise is seen throughout the technical operations: developing potential root zone signature procedures, engendering compliance and commitment of the root server operators, and providing DNSSEC tutorials to the community. An archived example of the DNSSEC tutorials can be seen at <http://media.icann.org/ramgen/2005/argentina/dns-security-1-05apr05.rm>.
- ICANN has hired regional liaisons to provide expertise and a communications channel in all or portions of the following regions: Middle East, Latin America, Africa, Europe and the Caribbean. Staffing plans are in place to cover other global regions during the next year.
- ICANN has maintained a strong relationship with its Governmental Advisory Committee (GAC) as reflected in the current structure with GAC liaisons to the ICANN Board and to respective Supporting Organizations. In addition to regular briefings and participation in GAC meetings, there are frequent communications between ICANN and the GAC on matters including participation in ICANN bottom-up processes, providing input on the Strategic Plan, and informing the processes for the creation of new gTLDs. ICANN Staff has presented materials to GAC Working Groups on Whois and IDNs. IDN is of great importance to the internationalization of the Internet, particularly for developing countries that lack the resources to facilitate research and implementation.

- Recognizing the importance of the role of governments in the process of Internet governance, an ICANN letter from ICANN's Chairman of the Board to the GAC Chairman initiated a dialogue with ICANN's Governmental Advisory Committee (GAC) to address how the role of governments could be strengthened within the existing ICANN multi-stakeholder environment. Following a meeting between the GAC and the ICANN Board at ICANN's meeting in Vancouver, ICANN established an ICANN/GAC working group to effectively improve the communication links and collaboration processes between the GAC and the ICANN Board and relevant ICANN constituencies. At its meeting in Wellington, this joint Committee met, as did the Board and the GAC to build on discussions. Discussion points included establishment of a long-term sustainable secretariat to support the GAC; outreach and support for developing country participation; and enhancement of ICANN-GAC relations.
- In follow-up to the WSIS, ICANN will continue to be involved in Internet governance discussions, including participation in the February consultations for the formation of the Internet Governance Forum. ICANN's involvement will focus on its role in the issue of Internet governance, including experience as a multi-stakeholder organization. ICANN conducted Internet governance workshops at its meetings in Vancouver and Wellington.

2. Work collaboratively on a global and local level to pursue formal legal agreements with the RIRs, and to achieve stable relationships that allow them to continue their technical work, while incorporating their policy-making activities into the ICANN process.

As previously reported, ICANN signed a revised "ASO MOU" that established steps for the ICANN Board to receive global policy recommendations from the ASO, and ratify that policy or return it to the ASO for further consideration. The Number Resource Organization (NRO) and the individual RIRs signed the ASO MoU on behalf of the ASO. This revised MoU took effect 1 January 2005.

Since that report, the development of Global Internet Number Resource Policies has been the subject of a policy development process between the ASO/NRO and ICANN. To date, ICANN has reported on ASO/NRO progress regarding policy development (see, <http://www.icann.org/announcements/ipv6-report-21oct05.htm>).

In addition to the existing MOU, efforts are underway to establish contractual agreements between ICANN and the RIRs/NRO specifying IANA-related service level agreements and operating parameters. ICANN is currently writing and awaiting draft language for the purposes of completing this additional step in defining these relationships.

3. **Continue to develop, to test, and to implement processes and procedures to improve transparency, efficiency, and timeliness in the consideration and adoption of policies related to technical management of the DNS. In conjunction with its efforts in this regard, ICANN shall take into account the need to accommodate innovation in the provision of DNS services.**

ICANN's supporting organizations, the GNSO, CCNSO and ASO, all use policy development processes (PDP) suitable for their constituent communities. Since the last report, ICANN has continued to facilitate the PDP and the promotion of transparent, predictable and timely processes through the following initiatives.

Since the last progress report under the MOU, the GNSO concluded its work on a PDP that developed recommendations on a procedure for conflicts of Whois requirements and national laws. Significant progress has been made on a PDP to define the purpose of Whois. Work on improving the accuracy of Whois data is being done by a group reporting directly to the GNSO Council. Policy work to determine what data collected should be made available for public access will begin shortly.

To finalize the implementation of the adopted strategy for the introduction of new gTLDs, a policy development process (PDP) on this topic has been underway since December 2005 in the GNSO. It is anticipated that this PDP will produce results by the ICANN meeting in Morocco in June 2006. Significant input to this PDP was received in response to a Call for Papers issued through international media in January 2006. A related committee meeting of the GNSO Council and interested individuals was held in Washington D.C. in February 2006 to discuss this and other input, advancing the work on this PDP. Additionally, a dedicated two-day workshop was held at the ICANN meeting in Wellington during March 2006.

In response to the need for a predictable process to review proposals for new registry services, a PDP on such a process was finalized by the GNSO in 2005 and has been adopted as consensus policy by the ICANN Board. This was an important step to enhancement of predictability in the process for accommodating innovation in DNS services.

A specific PDP was started by the GNSO on 6 February 2006 to examine policies relating to contractual conditions of existing gTLDs. The goal of this PDP is to provide appropriate policies and guidance appropriate for the long-term future of gTLDs within the context of ICANN's mission.

To improve transparency, efficiency and timeliness of the GNSO, the following initiatives have recently been undertaken. ICANN Staff has continued to systematically improve the support and reporting of the GNSO, initiating more frequent and detailed progress reports on specific policy issues, streamlined reporting on task force meetings, and improved information-gathering to support policy. ICANN has established and

maintains a GNSO Operational Plan detailing all current and potential work items, timelines, owners and deliverables. The Operational Plan maps to ICANN's MOU requirements, relationships with other supporting organizations, recommendations of the 2004 GNSO Council review, and the overall ICANN Strategic and Operational plans. Also, ICANN Staff has worked with the community to create and implement standard templates for GNSO reports, and has prepared induction materials and an induction program for new GNSO councilors, first used for the December 2005 intake of new councilors. ICANN Staff is also working with community members to test Internet tools to facilitate meeting participation of non-native English speakers. To improve interaction between the supporting organizations and advisory committees, several liaisons have been appointed who attend meetings and provide information.

As ICANN is an evolving organization, scheduled periodic reviews of the supporting organizations and advisory committees are called for as specified in Article IV, Section 4 of the ICANN Bylaws. Following a decision to launch such a review of the GNSO, the ICANN Board adopted terms of reference for this work on 4 December 2005. The reviewers – the Public Policy Group of the London School of Economics - were chosen following an open call for expressions of interest. The reviewers conducted interviews and research during the ICANN meeting in Wellington (March 2006) and are expected to deliver their conclusions and recommendations during 2006.

The ccNSO has concluded its first PDP on 8 of the 9 topics relating to proposed changes to the ICANN Bylaws at Article IX (Country-Code Names Supporting Organization), Annex B (ccNSO Policy Development Process) and Annex C (the scope of the ccNSO). On 28 February 2006, the Board adopted seven ccNSO recommendations. On March 31, 2006 the ICANN Board rejected the eighth recommendation and returned it to the ccNSO for additional consideration in order to ensure that such changes remain consistent with ICANN's organizational structure. There is also an additional topic still being considered within this PDP which is being discussed within a joint ccNSO / GAC working group. The process regarding these nine topic areas is further evidence of a fully functioning ccNSO and positive interaction between the ccNSO, ICANN's community and the ICANN Board.

The ccNSO participated in the first IGF meeting in February 2006 in Geneva.

The ccNSO currently has five working groups. The Accountability Framework Working Group, comprising of members and non-members of the ccNSO, produced a set of guidelines that were adopted by the ccNSO Council. The guidelines were published on the ICANN website on 12 January 2006. Based on these guidelines, ICANN Staff has produced a set of Accountability Frameworks documents, published on 12 February 2006, to assist both ICANN and interested ccTLD managers in their discussions of entering into an accountability framework.

The ccNSO IANA Working Group is actively participating with ICANN Staff in developing improvements in IANA services and functions.

As already reported, the ASO has forwarded its first global IP address number policy proposal to the ICANN Board, which has adopted this proposal as a global policy. This policy governs how IANA distributes IPv4 address blocks to the Regional Internet Registries. Furthermore, the ASO has reviewed and finalized its internal working procedures. The ICANN Board has also adopted review procedures for global policy proposals from the ASO. The latter procedures include provisions for “early awareness” communication to the ICANN Board and to the community at large about upcoming global policy proposals.

4. **Continue to develop, to test, and to implement accountability mechanisms to address claims by members of the Internet community that they have been adversely affected by decisions in conflict with ICANN's by-laws, contractual obligations, or otherwise treated unfairly in the context of ICANN processes.**

ICANN's accountability mechanisms include its reconsideration and independent review processes, the ICANN Ombudsman, and binding commercial arbitration pursuant to ICANN contracts with registries and registrars. Three of these mechanisms are specified in ICANN's Bylaws: reconsideration, independent review, and the ICANN Ombudsman.

Pursuant to ICANN Bylaws Article IV, Section 2

<http://www.icann.org/general/bylaws.htm#IV-2>, ICANN has in place a formal process "by which any person or entity materially affected by an action of ICANN may request review or reconsideration of that action by the Board." ICANN's Board Reconsideration Committee <http://www.icann.org/committees/reconsideration/> is chaired by Vanda Scartezini (Brazil). Three other Directors are members of the committee: Raimundo Beca (Chile), Demi Getschko (Brazil), and Peter Dengate Thrush (New Zealand). The Reconsideration Committee met in Wellington, New Zealand, on 26 March 2006 to consider two recent requests for reconsideration submitted in relation to the Board's approval of the VeriSign settlement. The committee's recommendations are posted online at <http://www.icann.org/committees/reconsideration/reconsideration-recommendation-06-1.htm> and <http://www.icann.org/committees/reconsideration/reconsideration-recommendation-06-2.htm>. On 31 March 2006, the ICANN Board adopted the recommendations of the committee <http://www.icann.org/minutes/resolutions-31mar06.html>.

ICANN's process for "Independent Review of Board Actions" is set forth in Bylaws Article IV, Section 3 <http://www.icann.org/general/bylaws.htm#IV-3>. ICANN's Independent Review Process provides for "independent third-party review of Board actions alleged by an affected party to be inconsistent with the Articles of Incorporation or Bylaws." ICANN's Board has authorized the International Centre for Dispute Resolution www.icdr.org to provide independent review services pursuant to the ICANN Bylaws. To date, only one party has indicated an interest in using the IRP process and the party has been referred on a number of occasions to the ICDR for further action, but

has not utilized ICDR to date. ICANN Staff is currently setting up a web-form which will simplify applications for an IRP and directly link to ICDR to avoid any contentions of ICANN Staff interference.

ICANN's Office of the Ombudsman has been successfully established in conformance with Bylaws Article V. More information about the activities of the Ombudsman has been published in prior reports. Additional details are available at <http://www.icann.org/ombudsman/>.

ICANN has taken further substantial steps toward enhancing its accountability mechanisms through the inclusion of mandatory binding commercial arbitration clauses in all recent gTLD registry and registrar agreements.

5. **Collaborate with the Department on operational procedures for the root name server system, including formalization of relationships under which root name servers throughout the world are operated and continuing to promote best practices used by the root system operators.**

ICANN continues to facilitate discussions with the Department and also with RSSAC and individual root name server operators to define and execute formalized agreements to govern the forms and frequency of technical communication among root name server operators and acceptable sources of best practices. An agreed statement of principles relating to the operation of root servers, which each of the root server operators will publish, is currently being circulated and defined among the root server community. Discussions have been and are being held to refine and finalize the document. These documents are expected to clearly document the roles and responsibilities of the respective organizations.

The RSSAC will be requested to collaborate on updated recommendations concerning best operating practices for root-server systems. These recommendations will be used to update RFC 2870, the Root Name Server Operational Requirements. The root server operators continue to operate under a defined set of principles, which add to the robustness, stability and security of the root server system.

6. **Continue to consult with the managers of root name servers and other appropriate experts with respect to operational and security matters relating to the secure and stable operation of the domain name and numbering system in order to develop and implement recommendations for improvements in those matters, including ICANN's operation of the authoritative root, under appropriate terms and conditions.**

ICANN has worked closely with the root-operators on several issues, particularly in the areas of new protocols and technologies. Consultations on the implementation of IPv6 and DNSSEC for the root zone continue, and there is active work in the community to facilitate eventual DNSSEC signing of the root zone. The addition of IPv6 AAAA records for TLD name servers has proven to be a successful integration of this new protocol into the DNS.

Further integration is currently being studied in the form of adding IPv6 AAAA records for the root servers. A report is being prepared.

RSSAC is playing an important role in the deployment of IDNs at the top-level (see section 1). Specifically, RSSAC has been asked to give feedback relating to the experiment proposing to add test DNAME and/or NS records to the root zone to aid in the implementation of IDNs.

ICANN continues facilitating the RSSAC in its role as an advisory committee to ICANN. Suzanne Woolf continues as designated RSSAC Liaison to the ICANN Board of Directors and has been deeply involved in providing technical advice to contribute to decision-making at the ICANN Board level as well as acting with ICANN's in-house root server operator as a resource providing expertise to ICANN's Board and staff.

ICANN's senior technical staff has continued to work in collaboration with the Network Start-up Resource Center (NSRC), ISOC, and others in the DNS community to provide training to ccTLD operators in areas where this training may not otherwise be available. As a result of these training efforts, ccTLD operators are enabled to meet current best practices, effectively use IANA services and thus increase both the security and stability of their own systems and the Internet. Within the past six months, planning has commenced concerning provision of a more advanced security and best practices training to ccTLD operators.

During 2005 courses were held in Kenya, Guinea and Senegal (the last, in French). Further courses are being scheduled in the Caribbean and Pacific regions for 2006.

- 7. Continue its efforts to achieve stable agreements with ccTLD operators that address, among other things, issues affecting the stable and secure operation of the DNS, including: delegation and redelegation of ccTLDs; allocation of global and local policy-formulation responsibility; and the relationship between a ccTLD operator and its relevant government or public authority. Such efforts shall include activities to encourage greater dialogue between ccTLD operators and their respective governmental authority.**

Following considerable consultation and work within the ccTLD community, on 12 January 2006, the ccNSO published guidelines for ccTLD managers to consider when discussing an accountability framework with ICANN. On 14 February 2006, ICANN published two documents to act as starting points for discussions with ccTLD managers that are consistent with the ccNSO guidelines. This streamlined approach to formalizing existing relationships is offered as an alternative to Sponsorship Agreements.

During the ICANN Wellington Meeting in March 2006 significant progress was made with a number of key ccTLD registries and an announcement of progress on setting out formal documentation of the relationships will be announced shortly. A separate progress report regarding ICANN's developments in this area will be provided to the DOC following this announcement later in April.

- 8. Continue the process of implementing new top level domains (TLDs), which process shall include consideration and evaluation of:**
 - a. The potential impact of new TLDs on the Internet root server system and Internet stability;**
 - b. The creation and implementation of selection criteria for new and existing TLD registries, including public explanation of the process, selection criteria, and the rationale for selection decisions;**
 - c. Potential consumer benefits/costs associated with establishing a competitive environment for TLD registries; and,**
 - d. Recommendations from expert advisory panels, bodies, agencies, or organizations regarding economic, competition, trademark, and intellectual property issues.**

Define and implement a predictable strategy for selecting new TLDs using straightforward, transparent, and objective procedures that preserve the stability of the Internet (strategy development to be completed by September 30, 2004 and implementation to commence by December 31, 2004).

ICANN has undertaken a number of significant efforts regarding the implementation of top level domains.

ICANN has commenced and is implementing its strategy for the selection of new gTLDs.

As indicated in prior reports, ICANN has completed all of its MoU milestones relating to new top-level domains on schedule and commenced implementation of a straightforward, transparent and objective procedure for selecting new top-level domains. During this reporting period, ICANN has made significant continued progress toward a predictable process for new TLD allocation.

Following a staff paper outlining remaining implementation steps and highlighting important issues still to be addressed, ICANN's Generic Names Supporting Organizations (GNSO) launched a policy development process in December 2005 that is providing bottom-up input and direction concerning the introduction of new TLDs with a view to produce proposals for the ICANN meeting in Morocco in June 2006. This process has already been enhanced by a widely publicized call for papers in January 2006, comprehensive public comment periods and face-to-face consultations with a range of interested stakeholders.

In February 2006 the GNSO conducted a two-day meeting on community input regarding selection criteria, allocation methods and contractual conditions for new TLDs. This work continued at the March 2006 ICANN meeting in Wellington with all of the GNSO's Constituencies and in consultation with other ICANN Supporting Organizations and Advisory Committees. Moreover, the results of the sTLD selection process, mentioned above, are used to inform the gTLD strategy implementation.

Fully internationalized domain names ("IDN.IDN") are a key focus of cross-supporting organization discussions. The GNSO has launched a policy development process dedicated to these matters and several programs and initiatives have been established by the ICANN President's Advisory Committee on IDNs as described in section 1.

ICANN launched the solicitation for applications for a new round of sponsored TLDS.

As a result of the sTLD process, ICANN has signed new TLD agreements with four applicants: .cat, .jobs, .mobi, and .travel. Each of these four TLDs has been added to the root zone, allowing for complete functionality of names in these top-level domains.

The .jobs and .travel top-level domains have launched and are fully operational at this time. The pre-launch phase for .jobs, in which trademark holders were eligible to submit

registration applications, ran from June through August of 2005, with the TLD going live in September 2005. Currently there are 27 registrars accredited for .jobs and approximately 5000 domain names registered. Limited launch phases for .travel ran from October through December 2005, with the full global launch on 2 January 2006. Currently 13 registrars are accredited in .travel, and approximately 16,000 domain names are registered.

Registrants in both of these sTLDs must complete a verification process to demonstrate their eligibility for registration. In the .jobs top-level domain, registrations are in the form of <companyname.jobs>, and the validation process for applications requires documentation that the name registered is the legal or commonly-known company name. Applicants must also be authenticated in order to register in .travel. This can be done through various travel associations, if the applicant is a member, or through a third-party authenticator such as Dun and Bradstreet. Once an applicant's eligibility is confirmed, the applicant is issued a Unique ID Number (UIN) which allows them to register a .travel name with an ICANN-accredited registrar.

The .cat top-level domain is currently within a sunrise period extending through 21 April 2006. This period allows certain qualified registrants to reserve names prior to launch, when names will be available for general registration. General registration is scheduled to begin in April of 2006. Eight registrars are currently accredited to sell .cat names.

Launch of the .mobi sTLD is also planned for this year, with a Limited Industry Launch phase beginning in May, and general registration planned for August 2006. Twenty-three registrars have been accredited for .mobi to date.

9. Continue to develop, to test, and to implement appropriate mechanisms that foster informed participation in ICANN by the global Internet community, such as providing educational services and fostering information sharing for constituents and promoting best practices among industry segments.

ICANN has undertaken numerous initiatives across the organization to foster informed multilingual participation in ICANN by the global Internet community and has made significant progress in this area. ICANN has continued the practice of rotating its Board meetings between Africa, Asia, Europe, North America and South America, and these week-long meetings have provided invaluable outreach opportunities and help make ICANN more accessible to the global community. Additionally, ICANN is partnering with, or participating in, regional meetings with a focus for specific constituencies, such as registrars or ccTLDs.

In the last six months, ICANN significantly enhanced the regional liaison network. Currently in place are the Regional Liaisons for Africa, Latin America, Canada and the Caribbean, Europe and Middle East. The Regional Liaison network works with ICANN

Staff on responding to and collecting feedback from respective stakeholders. Additionally, ICANN actively participates in numerous regional events, conferences and meetings throughout the world relating to Internet governance to educate and inform as broad an audience as possible on ICANN's roles and responsibilities and means for participation.

ICANN and Internet Community Meetings

ICANN's Board meetings have evolved into both business meetings to focus on ICANN's operational tasks, with consensus building and decision-making opportunities for the global Internet community on issues under ICANN's mandate, as well as important opportunities for information sharing, training, and networking by participants on issues impacting the Internet. Held in different locations in ICANN's five geographic regions three times a year, ICANN meetings now draw an average of 800 delegates from 55 countries and are regularly conducted in multiple languages. ICANN's recent meetings included workshops conducted in English, French and Spanish.

In between ICANN's international meetings, the Internet community gathers at regional and international events throughout the year to share information and advance their work. Examples of such events include regional meetings in Africa, the Oceania region, and numerous meetings in preparation of the Second Phase of the World Summit on the Information Society (WSIS). These meetings involve constituencies ranging from civil society and the technical community, to governments and inter-governmental or regional organizations usually not engaged with ICANN.

The outcome of the World Summit on the Information Society created a visible recognition of ICANN as a multi-stakeholder organization with its limited responsibility and mandate. ICANN is taking steps to continue to respond to the increased interest not only of stakeholders in participating in ICANN, but also those requesting ICANN's presence at respective regional and international events relating to the Internet and Internet governance to share what ICANN is responsible for, how to participate, and experiences as a multi-stakeholder organization.

Education, Training and Information Sharing

ICANN Staff also works with several organizations such as the Internet Society, L'Agence Intergouvernementale de la Francophonie, Pacific Island Telecommunications Association (PITA) and others to conduct joint workshops for ccTLD operator training. Additionally, ICANN Staff works and partners with organizations such as the DiploFoundation to contribute to educational services and information relevant to their students, and to disseminate information relating to Internet matters under ICANN's responsibility. These initiatives foster an understanding of what ICANN does, and also contribute to informed participation in ICANN.

ICANN has also conducted an outreach program to its key stakeholders by holding regional workshops for registrars, and arranging an IANA Help Desk at IETF and ICANN meetings. This has proven very successful in aiding request management,

particularly by expediting communications between requesters and ICANN Staff managing the IANA function.

Additionally, ICANN Staff conducts training sessions and seminars throughout the world to assist Internet stakeholders in all regions and promote informed involvement in ICANN. For example, in the last six months, ICANN Staff:

- Presented ICANN's initiatives on IDNs at an African- Arab IDN meeting convened by the Government of Tunisia with all regional stakeholders
- Met with local government and community members in Conakry, Guinea, for local workshop on repatriation of technical management of .GN
- Participated in AFNIC's International College meeting in Paris, France (13 ccTLD from less developed countries were introduced to IANA's new procedures)
- Attended a workshop on DNSSEC in Tunisia – highlighted security at DNS level and reasons for initiating DNSSEC
- Conducted training sessions on IANA's procedures – technical and redelegation in Libreville, Gabon, at a ccTLD managers' workshop.
- Conducted training session in French on ICANN and IANA's procedures in Dakar Senegal.

At-Large

The informed, structured involvement of the “At-Large” community (individual Internet users throughout the world) occurs through 1) an international “At-Large Advisory Committee” (ALAC) that provides ICANN with individual Internet-user advice on numerous issues, and 2) a growing network of user groups throughout the world registered as “At-Large Structures” that are helping to inform and involve users in ICANN and that are forming “Regional At-Large Organizations” (RALOs) to coordinate their efforts on a regional level.

Over 50 end-user groups in all five ICANN geographic regions have applied for “At-Large Structure” certification to inform and involve individual Internet users in ICANN. The membership of these organizations ranges from 25 to 10,000 people. ICANN is providing ongoing support for the groups' efforts to form “Regional At-Large Organizations.” “At-Large Structure” groups based in the Asia/Pacific and European Regions are working on plans to establish RALOs to coordinate their ICANN activities on a regional level and select members to serve on the ALAC. The organizations based in Africa, North America, and Latin America/Caribbean are discussing what RALO model is needed for their regions.

On behalf of the At-Large community, the ALAC also has provided ICANN with formal policy recommendations and individual Internet user perspectives on a range of issues. Most recently, this includes: the introduction of top level domain names; the .com registry contract; internationalized domain names; sTLD reviews; and Whois policy issues. These policy development and advocacy efforts are augmented by ALAC-

sponsored workshops at ICANN regional meetings, and At-Large forums at key regional events. Recently, the ALAC sponsored or co-sponsored events in Vancouver and Wellington on the introduction of new top level domains, internationalized domain names, and the VeriSign settlement.

At-Large outreach and organizing activities have been advanced through international and regional ALAC-sponsored workshops and meetings in over 13 countries in five geographic regions. At-Large's multi-lingual websites, forums, a 6500+ email announce list, and monthly newsletters also are used to share information about At-Large efforts and educate the general user community on why, and how, to become involved in ICANN. Although the initial MOU requirement for At-Large has been met, follow-on work will continue to meet the At-Large community's growing needs for multi-lingual education and information about ICANN activities, and a strong voice for users in ICANN decisions.

- 10. Continue to assess the operation of WHOIS databases and to implement measures to secure improved accuracy of WHOIS data. In this regard,**
 - a. ICANN shall publish a report no later than March 31, 2004, and annually thereafter, providing statistical and narrative information on community experiences with the InterNIC WHOIS Data Problem Reports system. The report shall include statistics on the number of WHOIS data inaccuracies reported to date, the number of unique domain names with reported inaccuracies, and registrar handling of the submitted reports. The narrative information shall include an evaluation of the impact of the WHOIS Data Problem Reports system on improved accuracy of WHOIS data.**

ICANN has published three annual reports to date, each demonstrating progress in the handling of reports of Whois data inaccuracy submitted through its online Whois Data Problem Report System (WDPRS). These annual reports have included studies of the effectiveness of the reporting system and the nature of the reported inaccuracies as well as the effectiveness of registrar actions taken in response to these reports. Each report has been accompanied by increased compliance efforts intended to assure better accuracy of Whois data.

System improvements have been made to better document the nature and extent of registrar-specific WDPRS reports. ICANN utilizes this aggregate data to ensure that individual registrars are complying with their obligations toward ensuring Whois data accuracy. ICANN continues to strengthen its compliance program through audits and outreach efforts in order to help registrars minimize the number of Whois data accuracy reports submitted and maximize Whois data accuracy.

ICANN's Whois Data Problem Report System continues to have a measurable impact on the accuracy of Whois data. And, while the number of reports has continued to increase, the actual rate of corrected records remains high. This increase in reporting reflects a growing awareness of the reporting mechanism, while also confirming the existence of continued concerns about Whois data accuracy. Another factor accounting for the increase in filings is the increasing number of multiple filings concerning the same domain name – often one that has been corrected or suspended. Further efforts will be undertaken to investigate and minimize such duplicates in order to avoid diluting the effectiveness of these reports.

About 100 registrars have gone through the Registrar Accreditation Renewal process over the past year. As part of the contract renewal process registrars are required to document the number of reports they have received and the steps they have taken to address them. Education efforts are undertaken with registrars that provide inadequate responses.

- b. ICANN shall publish a report no later than November 30, 2004, and annually thereafter, providing statistical and narrative information on the implementation of the ICANN WHOIS Data Reminder Policy. The report shall include statistics on registrar compliance with the policy and information obtained regarding results of the implementation of the WHOIS Data Reminder Policy. The narrative information shall include implementation status, information on problems encountered, and an evaluation of the impact of the WHOIS Data Reminder Policy on improved accuracy of WHOIS data.**

ICANN published its second WDRP report in November 2005 (see <http://www.icann.org/whois/wdrp-survey-report-30nov05.pdf>). Educational and contractual compliance efforts have been undertaken to assure full registrar compliance with this reminder policy, including follow-up on missing surveys and on surveys with incomplete or non-compliant answers.

Several positive improvements were shown in the 2005 WDRP survey. In particular, registrar participation in the survey was greatly improved over the previous year, and compliance efforts by registrars, overall, have been strong. Among the registrars able to track responses to their WDRP notices, nearly 14% observed changes to over 10% of their registrant data and 41% observed changes to at least 1% of their registrant data. As a result, Whois data accuracy is believed to be improved, but technical limitations in tracking WDRP notification results have made meaningful analysis difficult. While compliance among registrars responding to the 2005 survey was very good, ICANN is mindful of the possibility that non-responsive registrars may not be complying with the WDRP; hence compliance staff instituted an aggressive follow-up program with excellent results. Continued success in improving Whois data accuracy will be assured by increased compliance with the policy and a strengthened commitment by registrars to the process of evaluating the effectiveness of the WDRP. For its part, ICANN continues to work proactively with registrars to address their concerns about the notification process while also monitoring compliance with the WDRP through follow-up to this survey and extensive compliance testing during the registrar accreditation renewal process. The recent appointment of a Registrar Liaison Manager will improve ICANN's ability to ensure compliance among registrars.

A new FAQ page has been posted on the ICANN website at <http://www.icann.org/whois/wdrp-registrant-faq.htm>, to improve participation and understanding of the Whois Data Reminder Policy by registrants. Registrars have been encouraged to reference these FAQs in their notices to improve responses and alleviate misgivings by their registrants.

As part of its Registrar Accreditation Renewal process, registrars are required to demonstrate knowledge of this policy and to document their performance under it. To date around 100 registrars have gone through the renewal process since this policy was adopted. Of those, 10 were found to be out of compliance with the policy and were required to take steps to incorporate the required reminders into their procedures before their renewal could be approved.

11. **By June 30, 2004, ICANN shall develop a contingency plan to ensure continuity of operations in the event the corporation incurs a severe disruption of operations, or the threat thereof, by reason of its bankruptcy, corporate dissolution, a natural disaster, or other financial, physical or operational event. In conjunction with its efforts in this regard, ICANN shall work collaboratively with the Department to ensure that such plan reflects the international nature of the DNS.**

As reported in detail in previous status reports, this objective was completed on schedule in 2004. In 2005-06, ICANN has continued to strengthen mechanisms to ensure the

continuity of operations in the event of a severe disruption. ICANN has and will continue to collaborate with the DOC to ensure that its efforts reflect the international nature of the DNS. ICANN's proposed Operating Plan for Fiscal Year 2006-07 (see, <http://www.icann.org/announcements/operating-plan-21mar06.pdf>) includes resources for the following projects designed to promote ICANN's ability to ensure continuity of operations:

- Improve resilience to the L-root system. In addition, create and deploy any-cast locations to mitigate operational risk. Deploy a system that can remain operational during sustained DDOS attack. Enhance monitoring and statistical capabilities to allow analysis of data.
- Emergency response planning
- Data Escrow
 - Establish escrow agent
 - Quality Assurance plan
- Registry failover
- Continue execution of contingency plan.
Ensure continuation of operations during physical or business interruption of ICANN operations including: providing and maintaining appropriate infrastructure and executing business backup arrangements.
 - Coordination plan w/ other critical infrastructure players
 - Coordination plan with TLDs and root-servers
 - ICANN Contingency plan
- With respect to IANA services, IANA has created electronic archives of all paper-based documents and replicated those archives in order to insure copies exist should natural disaster affect the ICANN Marina Del Rey office.

12. Collaborate on other activities as appropriate to fulfill the purpose of this Agreement, as agreed by the Parties.

ICANN continues to collaborate closely with the DOC, including numerous meetings and teleconferences during this October 2005 through March 2006 reporting period. ICANN's senior management and senior staff at the DOC have and will continue to discuss operational and policy issues.

13. **Building on ICANN's recent efforts to reexamine its mission, structure, and processes for their efficacy and appropriateness in light of the needs of the evolving DNS, collaborates with the Department to ensure that ICANN's corporate organizational documents optimally support the policy goal of privatization of the technical management of the DNS (collaboration to be completed by March 31, 2004).**

As reported previously, ICANN completed this objective on schedule in 2004. ICANN determined that its operation as a California Non-Profit Public Benefit Corporation is still an appropriate and effective form of organization. While ICANN's structure is rooted in California law, ICANN has maintained and strengthened its deep ties to the global Internet community, including holding meetings in Canada and New Zealand during this most recent reporting period. ICANN will continue to examine its structure for its appropriateness in light of the needs of the evolving DNS, especially as ICANN and the DOC near the end of the term of their MOU.

14. **By December 31, 2003, develop a strategic plan that sets forth ICANN's goals for securing long-term sustainability of its critical domain name and numbering system management responsibilities, including the necessary corporate structure and financial and personnel resources to meet such responsibilities. Such plan should address, among other areas, the following items, and should include measurable objectives and milestones for achievement of such objectives;**

In accordance with this requirement, ICANN developed its first draft Strategic Plan. The document and the process drew significant interest and feedback from the community.

As a result of that feedback, the ICANN planning process was split in two; with the first half of the fiscal year (July to December) being spent on a strategic planning and the second half (January to June) on operational planning. As a result of this planning process, the ICANN Board, at its meeting in Wellington, approved the most recent version of the three-year rolling plan (see, <http://www.icann.org/minutes/resolutions-31mar06.html>, "Consideration of and Approval of ICANN's Strategic Plan"). The plan was the result of an extensive and, by now, refined consultation process, that consultation taking place in three languages (see, <http://www.icann.org/strategic-plan/consultation-process-2005-06>).

The approved version of the plan (see, <http://www.icann.org/strategic-plan/strategic-plan-29mar06.pdf>) addresses areas of focus identified by the community and by the requirements of the MOU:

- Organizational excellence in operations

- Organizational excellence in policy development
- Increasing international participation in ICANN and the use of the Internet system of unique identifiers
- Increasing participation in and efficiency of the ICANN multi-stakeholder environment
- Working towards a post-MOU ICANN

ICANN is now engaged in the second six-month segment of its fiscal year planning process: creation of the Annual Operating Plan and Budget. The Annual Operating Plan is the one-year plan that works to accomplish the objectives set out in the three-year Strategic Plan. In particular, the Operating Plan is comprised of the set of projects necessary to accomplish the objectives described in the longer-term Strategic Plan.

During last year's review, collaboration and discussion of the Operating Plan, three suggestions were made regarding the form and format of the plan:

- The objectives described in the plan should be linked to specific goals in the Strategic Plan,
- Budgets should be established for each of the projects outlined in the Operating Plan, and
- Specific outcomes should be defined for each of the projects so that objective degree of success can be determined.

This year's Operating Plan takes steps to address those requests. This year's Operating Plan is a series of projects with allocated resources and deliverables. This year's draft plan was posted (see, <http://icann.org/announcements/operating-plan-21mar06.pdf>) in advance of the Wellington meeting. During that meeting, consultations were held with each constituency group that requested such a meeting in response to ICANN's invitation. As a result of those consultations and comments to the online public forum, a revised version of the Operating Plan will be posted in late April.

It is clear that, as a result of the planning requirement set out in this MOU, ICANN has developed and executed a planning calendar that will serve to identify and address ICANN and community needs on a pro-active basis.

14a. Conduct a review of corporate administrative structure and personnel requirements, including executive compensation and management succession plan (implementation of any recommendations resulting from review to be completed by March 31, 2004);

As stated in previous reports, ICANN has conducted the review of ICANN's Personnel Administration Plan as required under the "Memorandum of Understanding Between the U.S. Department of Commerce and the Internet Corporation for Assigned Names and Numbers, Amendment 6", signed on September 17, 2003 (herein referred to as "MOU Amendment 6"). In particular, the MOU calls for ICANN to review personnel requirements, executive compensation and succession planning.

Personnel requirements have been determined through the formulation of the Strategic Plans, Operating Plans and Budgets. Specific areas of growth are indicated in ICANN's current and projected budgets and operational plans (see, <http://www.icann.org/financials/adopted-budget-12aug05.html>).

ICANN obtained and filed an executive compensation plan in accordance with the MOU. Similarly, internal staff members prepared a management succession plan. The plan is phased, providing for temporary succession in the short-term while ICANN is short-staffed and describing a more permanent succession hierarchy as projected staffing levels are achieved and quality hires are made. The ICANN Board is establishing a separate compensation committee in order to formalize oversight and work to capture best talent in key areas.

Finally, the ICANN Board of Directors Board Governance Committee has concluded that it would be beneficial for the Board to form a new committee to evaluate and make recommendations to the Board on compensation issues, and has drafted a proposed charter for the establishment of such a committee. As a result, that Board created a Compensation Committee of the Board. The Compensation Committee was established by resolution on 8 November 2005.

14b. Conduct a review of internal mechanisms that promote and ensure Board of Directors, executive management, and staff corporate responsibility (implementation of any recommendations resulting from review to be completed by March 31, 2004);

ICANN's review of its corporate responsibility mechanisms was completed on schedule in 2004. ICANN continues to strengthen its internal accountability mechanisms through the efforts of the Board Finance, Audit, and Board Governance committees. Also during this reporting period, ICANN announced the appointment of new Chief Financial Officer Melanie Keller. Ms. Keller has an extensive career as a senior finance professional in both for-profit and not-for-profit sectors. Most recently she was Corporate Controller for

Sunkist Growers and also acted as an independent consultant. Prior to this Melanie was employed in a variety of senior positions in the entertainment industry for Sovereign Pictures, Warner Brothers and 20th Century Fox. Ms. Keller has utilized her expertise to implement new financial controls and reporting processes that will further enhance ICANN's corporate responsibility mechanisms.

14c. Develop and implement a financial strategy that explores options for securing more predictable and sustainable sources of revenue (strategy development to be completed by June 30, 2004 and implementation to commence by December 31, 2004);

In June 2004, ICANN delivered a strategy for securing more predictable and sustainable sources of income and, in December 2004, ICANN delivered a report describing implementation of that strategy in accordance of the requirements stated in the objective above. The strategy focuses on diversifying sources of funding in order to stabilize and increase revenue. Since the publication of those reports, ICANN has moved to improve on the performance described in the implementation report.

In fiscal year 2004-05, the ICANN budget (see, <http://www.icann.org/financials/budget-fy04-05-06oct04.html>) indicated that 82% of all revenue would be derived from fees paid by gTLD registrars. In contrast, the fees received from gTLD and ccTLD registries combined was planned to comprise only 15% of the budget. The budget for fiscal year 2005-06 (see, <http://www.icann.org/financials/adopted-budget-12aug05.html#ProposedRevenues>) indicates that the gTLD registrar contribution is 70% of total revenues and the combined registry planned contribution is now 28%. These percentages will continue to improve in fiscal year 2006-07 and beyond as:

- new gTLD registry agreements are signed, increasing ICANN revenues from these sources, and
- ccTLD revenues are increased.

The gTLD registrars remain the largest source of ICANN funding. However, several gTLD agreements have recently been executed or are in negotiation (including the newly designated sTLDs). These include .asia, .biz, .cat, com, .info, .jobs, .net, .org, .mobi, .tel, and .travel. Each of these includes a new fee structure that more equitably distributes funding sources across the community of contributors.

The ccNSO has undertaken (and ICANN is facilitating) a process to determine a more favorable fee structure. In response to requests from the ccNSO Working Group on ICANN Funding, ICANN provided written information to aid the ccNSO in building a model for providing increased funding to ICANN. At the Wellington meeting, ICANN provided a briefing to clarify the reasoning of that document and answer questions regarding the value of services provided by ICANN for the benefit of ccTLDs. In addition to these efforts, ICANN has added staff to accelerate execution of agreements

(Accountability Frameworks) with more ccTLDs and to increase voluntary contributions beyond the current, relatively disproportionate amount.

ICANN continues to negotiate with the RIRs to stabilize that source of funding. At the Wellington meeting, ICANN committed to providing pro-forma agreements for each of the RIRs as a step toward resolving this funding issue

ICANN also continues to pursue alternative sources of funding. Staff and plans are in place to provide continual improvement in this area and to provide a stable financial foundation so that ICANN can continue to pursue its mission. As a result of this work, ICANN has considerably improved the soundness of its financial base and revenue projections. For the period of this MoU, ICANN revenues have grown from approximately \$9MM in fiscal year 2003-04, to \$16MM in fiscal year 2004-05, and \$23MM in 2005-06, and (with finalization of gTLD registry and registrar agreements) are projected to exceed \$30MM in 2006-07.

14d. Review and augment its corporate compliance program, including its system for auditing material contracts for compliance by all parties to such agreements (implementation of any recommendations resulting from review to be completed by June 30, 2004);

As described in the 30 June 2004 report to the U.S. Department of Commerce on contractual compliance, ICANN has undertaken examination of all contracts under which it conducts operations. At that time compliance programs for each area were identified and established to ensure compliance by both parties to each contract.

gTLD Registrars

The requirement for increased attention to contractual compliance has been made apparent as the number of registrars has increased from one at ICANN's inception to more than 600 presently, and the number of registries is also increasing. Additional staffing has been allocated to manage the relations and compliance matters with these companies.

The successful implementation of an effective compliance program involves all areas of the organization. Previously, budget constraints have prevented the implementation of a proactive compliance program. In each of the fiscal years 2004-05, 2005-06, and now 2006-07, through its annual budgeting process ICANN has proposed the establishment of a proactive compliance program. One of the positions has been filled and is actively engaged in significant compliance activities, while recruiting is ongoing to fill the remaining positions.

This new staff division is dedicated to ensuring a thorough audit of all parties on all areas enumerated in the agreements, as ICANN performs routine compliance checks throughout the year. In addition, the plan outlined below includes a public input

component, so that members of the community can initiate investigation of alleged instances of non-compliance by ICANN compliance staff.

One area that has received heightened attention over the prior six months is registrar compliance with Whois accuracy policies. Compliance staff has paid specific attention to individual registrars that failed to respond or responded inappropriately to Whois data surveys conducted by ICANN. A total of 76 registrars were identified that warranted further follow-up. Each of these was contacted and all but two have met all the appropriate requirements. Efforts continue to pursue compliance by the remaining registrars and to follow-up immediately on any further compliance issues that may be reported.

Over the past 12 months, a comprehensive compliance program has been followed in connection with the renewal of registrar and registry agreements. Close to one hundred registrars have applied for renewal during this period. Before a registrar has been approved to enter into a new accreditation agreement with ICANN, a full compliance check on all items listed in the compliance program for the registrar accreditation agreement has been performed. In those instances where a registrar was found not to be in compliance, corrective action was required and ICANN Staff worked to assist the registrar in updating the applicable processes and policy. The following is an overview that shows the various types of compliance issues ICANN has come across during this effort:

- 1) A total of 40 registrars updated their contact information as a result of the renewal process, six notified ICANN of changes in corporate structure or changes of incorporation that required transfers of accreditation;
- 2) four registrars had to accumulate the required \$70,000 in working capital as required by the *Statement of Registrar Accreditation Policy*;
- 3) fourteen registrars modified their terms and conditions for query-based public access to registration data to include the required provision from *RAA Section 3.3.5*. (“Registrar shall permit use of data it provides in response to queries for any lawful purposes except to...”);
- 4) twelve registrars modified their data retention policy to comply with *RAA Section 3.4.2*, which requires records to be kept three years after the term of the agreement;
- 5) seven registrars came into compliance with *RAA Section 3.7.5.4* as amended by the [EDDP](#) and will begin providing notices to each new registrant detailing their deletion and auto-renewal policy; two other registrars updated their website to feature their deletion and auto renewal policy;
- 6) six registrars modified their websites to include the fee for domain name recovery during the Redemption Grace Period as required by *RAA Section 3.7.5.6*;
- 7) nine registrars added at least one section to their Registration Agreements to come into compliance with the Registration Agreement requirements in *RAA Sections 3.7.7.1, 3.7.7.2, 3.7.7.4, 3.7.7.9* (i.e., registrar must provide accurate contact

- details, inaccurate contact information is a basis for cancellation of registration, new and renewing registrants must be notified about personal data policies, use of registered name cannot infringe on rights of any third party);
- 8) some 38 registrars modified their Registration Agreements to include the required jurisdiction language in *RAA Section 3.7.7.10* (“For the adjudication of disputes concerning or arising from use of the Registered Name, the Registered Name Holder shall submit, without prejudice to other potentially applicable jurisdictions, to the jurisdiction of the courts: (1) of the Registered Name Holder's domicile, and (2) where Registrar is located.”);
 - 9) eleven registrars added the provision to their Registration Agreements requiring the registrant to agree that “its registration of the Registered Name shall be subject to suspension, cancellation, or transfer pursuant to any ICANN adopted specification or policy...” (*RAA Section 3.7.7.11*);
 - 10) some 34 registrars amended the procedures followed when in receipt of a decision ordering the transfer of a disputed domain name; agreed to comply with the 10 business day waiting period and the requirement to communicate with each party, the provider, and ICANN (as required by *UDRP, paragraph 4(k) and Rule 16*);
 - 11) twelve registrars changed the Form of Authorization used for express authorization for a transfer request to the form required by the *Inter-Registrar Transfer Policy*; and/or modified the steps taken to assure that the party requesting the transfer is in fact the registrant and authorized to request the transfer;
 - 12) three registrar came into compliance with the *Restored Names Accuracy Policy*;
 - 13) ten registrars came into compliance with the *Whois Data Reminder Policy*.

gTLD REGISTRIES

As noted previously, many of the registry operators and sponsors that have existing agreements with ICANN are engaged in the process of renewing or renegotiating their agreements. These parties are required to be in full compliance with their old agreement prior to a new agreement being signed. Through this process, ICANN Staff has reviewed the obligations in the agreements and flagged those on which additional action may be needed by the registry to ensure complete fulfillment of contractual obligations.

Registry Liaison staff also continues to work with registry operators and sponsors on any contractual compliance matters as they arise.

As noted above, one of three contemplated compliance-focused positions (Compliance Program Specialist) has been filled. Job descriptions were developed and posted in accordance with the budget and the preliminary operating plan for how the compliance staff work will be carried out has been posted at <http://www.icann.org/compliance>. Registry Liaison staff has conducted internal training with new compliance staff on the structure and substance of the requirements in all existing registry agreements. Filling the additional compliance positions will enhance this team's capacity to conduct regular

audits at the registry level, covering each compliance area within the agreements. Staff has established the scheduling and communications framework for this process.

14e. Develop a collaborative program with private and intergovernmental parties to conduct outreach to governments and local Internet communities in targeted regions, including key constituencies (commence program operation by December 31, 2004).

In accordance with this requirement, ICANN has developed and implemented a collaborative program with private and intergovernmental parties to conduct outreach to governments and local Internet communities in targeted regions. The program is supported by ICANN's [Strategic Plan](#) and proposed [Operating Plan](#). The program includes participation of key constituencies and takes into account several components: establishing regional presences via liaisons, engaging with regional and international organizations; meeting regularly with government officials, local Internet communities and key constituencies; and supporting the creation and engagement of "Regional At-Large Organizations" (RALOs).

The impact of the program described above with both the private sector and inter-governmental parties to conduct outreach to governments and local Internet communities has been positive – this has been demonstrated not only in the increased awareness of ICANN and what it does and does not do (in relation to the WSIS process, and otherwise) but also in the increased interest and demands by a wider community to partake in the ICANN processes, and to have ICANN partake in their processes – in particular to share the experience of working as a multi-stakeholder organization. ICANN has noticed a marked increase in demand on ICANN for outreach and the development of collaborative programs, participation in ICANN, and it is anticipated these demands will only continue to increase.

Regional Presences

Establishing regional presences is part of ICANN's responsibility to become a global organization, improve its ability to respond to stakeholders, and ensure participation by stakeholders around the world on issues relating to ICANN's areas of responsibility.

ICANN has established regional presences in Africa, the Middle East, Latin America, and the Caribbean regions through the staffing of Regional Liaison positions. The positions for the Asia Pacific region will be filled in the next fiscal year.

Regional Liaisons are interlocutory with a region on issues relating to ICANN's core functions, as well as participating in the ICANN operational staff structure and conducting outreach to respective communities and participation. Their understanding of local languages and cultures has already contributed to ICANN and participation in its processes. The Regional Liaison network operates against a business plan that matches

the strategic and operational plan involves responsibilities that cross the entire organization and is based on input from stakeholders and staff. Regular reports concerning regional and operational issues are provided to ICANN hub offices and other regional presences.

To date, the Regional Liaisons have already engaged with respective regional organizations, stakeholders and participants in ICANN, and responded to requests and expressions of interest from respective regions on issues such as internationalized domain names (IDNs), ICANN's policy development process, ccTLD matters, and government participation. Additionally, the network has provided feedback to ICANN on becoming more responsive to regional needs, including exploring holding regional workshops on specific areas of interest.

Engaging with intergovernmental and regional organizations

ICANN Staff has engaged in outreach to both intergovernmental organizations and governments. ICANN regularly meets with, has established relationships with, and/or attends meetings of, international, regional, and intergovernmental organizations --- over the course of this report and others, these have become regular interactions. Examples of organizations include the World Intellectual Property Organization (WIPO), UN Economic, Social and Cultural Organization (UNESCO), the International Telecommunication Union (ITU-T and ITU-D), Inter-American Telecommunications Commission (CITEL), Pacific Island Telecommunications Association (PITA), Caribbean Community (CARICOM), Pacific Island Forum, Asia Pacific Telecommunications community (APT), Commonwealth Telecommunications Organization (CTO), L'Agence Intergouvernementale de la Francophonie; UN Economic Commission for Africa (UNECA), Partnerships for ICTs in Africa (PICTA), Organization for Economic Cooperation and Development (OECD), UN Development Program (UNDP), Universal Postal Union (UPU) and others. Additionally, ICANN's CEO and senior staff regularly meet with governments and local Internet communities when attending meetings in respective countries and territories.

ICANN senior staff is working with several organizations to enter into memoranda of understanding or to provide relevant trainings or briefings. Additionally, ICANN has established several joint projects with organizations such as the DiploFoundation for work on Internet governance.

At Large and the RALOs

With ICANN's support, the At-Large Advisory Committee (ALAC) has established a successful outreach program that encourages local and regional At-Large communities to organize and be involved in ICANN.

As of 31 March 2006, 54 groups have applied for "At-Large Structure certification" (18 in the last six months) to be involved in At-Large, and 37 groups have been certified in four geographic regions (15 in the last six months). These groups will form the basis of

Regional At-Large Organizations (RALOs) to coordinate their activities and to serve as focal point for communication and outreach. At-Large Structure groups in the Asia-Australia-Pacific and the Europe regions are working on the formation of their RALOs and the ALSs in the remaining regions are discussing RALO formation. RALOs will work with ICANN and its regional presences in: conducting a range of education, communication and engagement activities; translating, posting, and distributing key documents; contacting and meeting with groups involved or interested in ICANN; providing analysis of proposed policies; facilitating meetings and briefings on ICANN's work; and conducting other forms of outreach.

14f. Develop and implement an appropriate and effective strategy for multilingual communications (commence strategy implementation by December 31, 2004);

ICANN continues to build on its implementation of a strategy for multilingual communications. ICANN has appropriately expanded its role of delivering to the broadest audience the most useful ICANN information for advancing global understanding of, and participation in, ICANN. ICANN's multilingual communications strategy includes: real-time, broadcasted translations of ICANN's regional meetings; providing information and interviews for regionally-based, multilingual media outlets; translating and distributing literature describing ICANN's mission and recent efforts; and translating key information on ICANN's website.

The ICANN brochure and other materials are translated into 17 languages; including specially produced dual-language editions of core materials in English/French and Spanish/Portuguese.

The prior six-month report identified thirteen significant accomplishments describing progress in multi-lingual communication. These multi-lingual efforts continue in the areas of the issuance of regular reports, distribution of ICANN literature, web page postings and conducting workshops. In addition to previously reported results, ICANN has recently:

- provided for a three-fold increase in the fiscal year 2005-06 ICANN budget over the previous year to assist those stakeholder groups who do not operate in English as their first language
- published revised guidelines for registration of IDN in Arabic, Chinese, French and Spanish;
- announced Nominating Committee appointees and processes in Spanish;
- established a comprehensive program to facilitate the deployment of IDN at the top-level to facilitate the distribution of content and access to the Internet to those who do not communicate in English (see, <http://www.icann.org/topics/idn/>);

- retained the services of a linguistics experts to inform ICANN's IDN efforts and, in particular, the newly formed President's Advisory Committee on IDN representing at least 14 countries;
- published a pamphlet describing ALAC activities and recruiting potential participants in French and Spanish.

ICANN continues to partner with members of the ICANN community to coordinate donated services and cooperative efforts such as translation of documents and live translation at meetings.

ICANN Staff continues to participate in non-English languages in various regional meetings and events, including presentations and attendance by multilingual ICANN Staff and the distribution of multilingual literature at a variety of venues, both sponsored by ICANN (such as a regional At-Large users meeting) or sponsored by other entities.

14g. Conduct a review of system-wide efforts to automate operational processes (implementation of any recommendations resulting from review to be completed by June 30, 2005);

A review of system-wide efforts to automate operational processes within ICANN and IANA has been completed, and a comprehensive report was delivered to the U.S. Department of Commerce on 30 June 2005. This report describes implementation of automation tools and techniques intended to improve ICANN customer service and performance. It was recognized that the measured introduction of automation of certain elements of ICANN processes plays a key role in the realization of this goal. Methodologies were identified and developed that increased internal efficiency and create a better and more robust relationship with the stakeholders by providing more responsive service and reports to customers. This was done in a way that did not put at risk the integrity or accuracy of key databases.

In the past six months ICANN continued to implement improvements and upgrades to the implementation described in the earlier report:

- Within the IANA function, ICANN has consolidated all ticketing functions under a single ticketing system to improve efficiency and facilitate producing comprehensive statistics on IANA operations. All root-management, port, and other requests to the IANA function of ICANN are now tracked within this ticketing system, with different request types assigned to appropriate queues. The ticket system is also employed to track status of internal customer requests such as requests to post material on the ICANN web page.
- The online TLD change request template system has been deployed and is in use. To date, 91 TLDs have requested passwords to the system, and approximately one-third of them have used the system for requests since August, 2005.

- The reporting inquiry/ticket status tool (generating status reports for IANA and other external customer requests as well as requests from internal customers) is in use internally and efforts are underway to provide remote access by requesters to the reporting tools. When accessible to outside users, the public will be able to view aggregate IANA statistics, while individual requestors will be able to get information on their specific requests.
- Internal ICANN tools such as the one performing name server technical checks are currently under revision, with requirements being collected from the various affected communities. Release of these tools is anticipated to be within this fiscal year.
- A “dashboard” for reporting of departmental metrics and statistics is in use internally and significant steps are underway to provide reports to ICANN’s diverse community members. This automated tool will not only allow for better management of ICANN programs, but will also help identify areas for improvement.
- ICANN has implemented new project management software. This application tracks milestones, interdependencies, and necessary resources, provides “at a glance” reporting (Gantt charts) and identifies critical path issues.
- The Registrar Billing Database described in the previous report is being updated to include an upgrade to the existing Registrar/Registry Database. This new addition will allow for better management of the Registry and Registrar data that will directly interface with the Registrar billing model. Registrars will be able to directly access and modify relevant data (e.g., registrar emergency contact information) directly without interaction with ICANN.
- A New Registry Services application is being developed that will ensure that ICANN will properly track and maintain the necessary steps for consideration of newly proposed registry services (as described in <http://www.icann.org/announcements/announcement-26jan06.htm>).
- ICANN has introduced improvements in its Whois data accuracy compliance efforts by automating messages to registrars and permitting the review of data on both a micro and macro level to ascertain trends, outliers, and persistent problems.
- Development has begun on a sophisticated electronic registrar accreditation application and database system that will interface with the registrar billing system. Upon completion, registrars will have improved access to information and the ability to update and maintain important contact information online through a secure access. This system eliminates the need for multiple separate databases and will enhance accuracy, communication, and information sharing between the ICANN functional areas of accounting, registrar liaison, and contractual compliance.