



# Tenth Status Report Under ICANN/US Government Memorandum of Understanding

Quarter ending 30 September 2004  
Posted: 7 October 2004

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

The following status report describes progress towards the completion of ICANN's tasks under this Agreement, including implementation of ICANN's strategic plan in accordance with Section II.C.15 of Amendment 6 to the ICANN / DOC Memorandum of Understanding (MoU).

That section 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 MoU, followed by a description of progress towards completion.

### 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 the DNS management. This interaction has resulted in additional positive outcomes, over and above the results described in the March 2004 report, as follows:

- During the last six months, ICANN has continued to work with several gTLD registries relating to their deployment of the first rounds of Internationalized Domain Names. Such deployment resulted from ICANN's request to the IETF to develop criteria guiding technically sound deployment of IDNs. Additionally, ICANN, in conjunction with the ITU, held a workshop in conjunction on 21 July in Kuala Lumpur, Malaysia to facilitate sharing of knowledge and practical experience, and gathering of community opinions regarding the continued development of IDNs.
- During this year, ICANN has been engaged in an application and evaluation process for an allocation of new sponsored TLDs (sTLDs), a focused subset of gTLDs. Each

application is being independently evaluated and we anticipate the award of the first sTLDs through this process shortly. <<http://www.icann.org/tlds/stld-apps-19mar04/stld-public-comments.htm>>.

- ICANN remains committed to developing and implementing a comprehensive strategy for selecting new gTLDs using predictable, straightforward, transparent and objective procedures that preserve the stability and security of the Internet. ICANN announced on 30 September 2004, a new gTLD Strategy Implementation Plan and posted it for public comment <<http://www.icann.org/topics/gtld-strategy-area.html>>.
- In July, ICANN announced the adoption of a new domain name transfer policy (the Inter-Registrar Transfer Policy) which will become effective for all ICANN accredited registrars and all unsponsored gTLD registries on 12 November 2004. Under the new transfer policy, registrants will be safer from any risk of having their domains transferred to another registrar without their consent, and will have greater freedom to transfer their domains to an ICANN-accredited registrar that will offer them the best combination of service and price. ICANN is working with registries and registrars in their efforts to implement the new policy. The policy was crafted as a consensus policy and has been drafted in accordance with the GNSO Transfer Task Force's 29 policy recommendations approved by the ICANN Board. Several working groups with members from the GNSO constituencies have been working towards the finalization of this policy for the public benefit. To ensure the best possible outcome the policy will be reviewed at regular intervals after implementation <<http://www.icann.org/transfers/index.html>>.
- Several other consensus policies have been finalized and will be put into effect for ICANN accredited registrars within the next few months <<http://www.icann.org/general/consensus-policies.htm>>. These new policies concern the following areas:
  - Whois Marketing Restriction Policy - requires registrars to ensure when providing third party bulk access to the Whois data, that such data is not used for marketing purposes.
  - Restored Names Accuracy Policy - requires that a domain name that is deleted due to false Whois data and is subsequently restored during the redemption grace period must immediately be placed on registrar hold until the Whois data has been corrected by the registrant.
  - Expired Domain Deletion Policy - prevents registrars from maintaining domain name registrations beyond the auto-renew grace period unless renewed by the registrant.
- With ICANN's assistance, the ccNSO formation has been formally completed and the organization held its inaugural meeting in Rome in March 2004. Since our last report, ccNSO members have elected a council, which held its first meeting in Kuala Lumpur in July 2004. A communiqué has been posted. Two members will be elected to the Board (scheduled tentatively for Cape Town. Proposed bylaw changes incorporating the new organization into the ICANN organization have been posted: <<http://www.icann.org/legal/proposed-bylaws-corrections-11mar04.htm>>.

- ICANN has conducted negotiations with the RIRs and is scheduled to finalize the long awaited revised ASO MOU later this month.
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.

The Regional Internet Registries (RIRs) each have a share in a global responsibility, delegated to them by IANA, to manage Internet address space. The IANA policies for allocation of IPv4 address blocks and other number resources to the RIRs are applied fairly and transparently, based purely on the documented need for address space. Addresses and other number resources are distributed in a coordinated fashion from a single global pool, with no pre-allocation to different countries or regions. Apart from ensuring fairness, the distribution system ensures that isolated “shortages” will not occur.

The stability and fairness of this allocation system and the management of the unallocated address pool would be further secured by formal agreements between ICANN and the RIRs. Formal agreements are being prepared to define the strategies for distributing IPv6 blocks and other IANA-related functions.

After considerable discussion, the RIRs put forward a revised MOU that established how the ICANN Board would receive global policy recommendations from the ASO, and the steps necessary to ratify that policy, or return it to the ASO for further consideration. ICANN has expressed to the RIRs its willingness to sign the MOU, after receiving commentary from the ICANN community. It is anticipated that a concluding agreement will be signed on 21 October 2004.

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, have each adopted a specific policy development process suitable for their constituent communities.

Through the GNSO, ICANN has initiated several policy development processes (PDPs). In addition to addressing the specific issues indicated by those specific PDPs, ICANN is

also working to improve the process itself by implementing feedback mechanisms to take advantage of previous experience.

A particular PDP currently underway calls for the GNSO to develop a predictable procedure for changes in the operation of TLD Registries whereby ICANN can effectively evaluate (in a timely, transparent and predicible manner) proposed registry operations changes in order to encourage innovation in the provision of DNS services. The sub-committee addressing this PDP has produced a draft initial report: <http://www.icann.org/tlds/gtld-initialreport-registryapproval.htm>.

Other GNSO PDPs involve important considerations on the use and accuracy of Whois data and the development of criteria for the succession planning of the .net registry. Each of these PDPs provides transparency for those interested in following and testing the efficacy of the newly developed policies.

Additionally, the GNSO has begun a review of the GNSO Council, as outlined in the ICANN Bylaws. Article IV, Section 4 of the bylaws requires the ICANN Board to organise regular reviews of each Supporting Organisation, Council, and Advisory Committee.

The first review is a review of the GNSO Council (rather than the supporting organization as a whole). This is due to be completed before the ICANN annual meeting in December 2004. The review must be undertaken by an entity or entities independent of the GNSO Council. The goal of the review is to determine whether that organization has a continuing purpose in the ICANN structure, and if so, whether any change in structure or operations is desirable to improve its effectiveness.

GNSO Council representatives have met with ICANN staff to determine an appropriate method and timetable for completing this review.

The ccNSO has recently completed electing a ccNSO Council, which held an initial meeting at the ICANN meeting in Kuala Lumpur in July. They will begin addressing policy concerns through their policy development process as their members bring issues to the Council. In another process dedicated to openness, proposed changes to ICANN's bylaws accommodating the formation of the ccNSO were adopted; see <http://www.icann.org/legal/proposed-bylaws-corrections-11mar04.htm>.

The ASO has forwarded its first global IP address number policy to the ICANN Board. This policy will govern how IANA distributes IPv4 address blocks to the Regional Internet Registries. The ICANN Board is currently reviewing the policy and will seek ICANN community perspectives before proceeding.

As reported six months ago, ICANN's At-Large Advisory Committee continues to be responsible for considering and providing advice on the activities of ICANN as they relate to the interests of individual Internet users (the "At-Large" community), and also helps the world-wide At-Large community organize for individual internet users'

structured involvement and informed participation in ICANN. In the meetings in Carthage, Rome and Kuala Lumpur, the ALAC sponsored/co-sponsored events on WHOIS, wildcard services (registry service changes), and WSIS.

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 has taken significant steps to ensure corporate responsibility and accountability over its Board of Directors, Officers and Staff. The completion of the Reconsideration Process, improvement in efforts to increase public participation, as well as the introduction of the Independent Review Panel and Ombudsman Program, supplement the existing structures of corporate responsibility and accountability already in place by mechanisms of law and under the organizations structure and corporate governance systems. In addition, ICANN will continue to seek to improve this corporate responsibility by implementing a Corporate Oversight Panel for any high level issues so that there are no gaps in the strategy associated with ICANN's contingency planning mechanisms that are occurring in the next quarter.

In 2002, ICANN outlined some specific aspects of corporate responsibility and accountability. The recommendations for improvements to ICANN's processes were first set out in the Blueprint for Reform (<http://www.icann.org/committees/evol-reform/blueprint-20jun02.htm>). The details of these recommendations as well as those contained in the ICANN Committee on Evolution and Reform's requested creation of "Accountability Framework Assistance Project: Recommendations Regarding Accountability" (<http://www.icann.org/committees/evol-reform/afap-report-23aug02.htm#II>) were described in detail in the previous report.

All of the areas of review and oversight in the previous report remain intact or in work. These include

- Reconsideration,
- Internet Community Watchdog Groups,
- California Attorney General and California Court Oversight (As a public benefit non-profit corporation organized within the State of California, any potential criminal actions would be subject to the jurisdiction of the California Attorney General and California's court system.)
- ICANN Corporate Oversight Panel.

In addition, significant progress has been made in the following areas:

### Independent Review Panel

As planned and discussed in the previous report, ICANN has closed an arrangement with the International Centre for Dispute resolution, a third party arbitration service to provide services and fulfill the requirements of the Independent Review Panel. (See, <http://www.adr.org/jump.jsp?jump=Internationala-default>.)

### Ombudsman

The last report indicated that ICANN had retained the services of a professional search firm in order to locate and hire a suitable candidate for the position of Ombudsman. After an intensive search, that candidate has been located and contract terms have been settled. The identity of the candidate will be publicly announced in the near future.

### Public Participation

As planned, ICANN has filled the position of General Manager, Public Participation. This position is responsible for responsible for developing mechanisms to encourage full public participation in ICANN, and facilitating receipt and analysis of all public comments received on a given proposed action by the ICANN Board. This position is also responsible for the design and content of other relevant outreach activities, including the ICANN website, public forums and mailing lists, and other options for public comment and participation.

Other sections of this document describe the achievements to date in this area, including:

- Fostering informed participation in ICANN processes by the global Internet community through participation in activities such as Highway Africa (described in more detail in section 9 below).
- Developing collaborative programs with private and governmental parties to conduct outreach in targeted communities in Africa and Asia.
- Fostering multi-lingual communications through translation of portions of the ICANN web site and distribution of descriptive and educational materials in many languages in the ICANN meetings.

ICANN continues to take significant steps to ensure corporate responsibility and accountability over its Board of Directors, Officers and Staff. The completion of the Ombudsman recruitment, improvement in efforts to increase public participation, and the introduction of the Independent Review Panel, supplement the existing structures of corporate responsibility and accountability already in place by mechanisms of law and under the organizations structure and corporate governance systems. In addition, ICANN will improve this corporate responsibility by implementing a Corporate Oversight Panel to provide appropriate review of high level decisions.

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 has continued its discussions with the RSSAC and intends to continue to pursue and execute formalized agreements with root name servers through their operators. The agreements will take the form of Memoranda of Understanding and govern forms and frequency of technical communication among root name server operators and acceptable sources of best practices. The goal is for the parties to formalize the “best practices” already operating among the root operators and to formalize the consultation among root operators concerning improvements in the reliability and maintainability of the root server system.

ICANN has reviewed the proposed MoU and will be requesting meetings to disseminate the proposed agreements and collaborate with the various operators to make any changes that would increase the efficacy of the agreements. ICANN has held discussions with certain root name server operators regarding the proposed agreement in order to facilitate their later acceptance.

In conjunction and in support of these efforts, the RSSAC will appoint a liaison to the ICANN Board of Directors.

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 continues to work closely with the root-operators, both via the RSSAC and SSAC.

The RSSAC will be requested to collaborate on updated recommendations concerning best operating practices for root-server systems. These recommendations would be an update to RFC 2870.

New protocols, such as IPv6 – which dramatically increases the available pool of Internet Protocol address numbers – and DNS Security (DNSSEC) – which promises to bring

greater security to the domain name system – are vital innovations in Internet resource technology. ICANN recently implemented the RSSAC recommendation to implement IPv6, AAAA, resource records in the root zone. Studies are ongoing relating to implementing IPv6 Records for the root-servers. ICANN will collaborate with the wider technical community to assess the value these and other innovations have for the Internet community, or whether they pose an unreasonably disruptive threat to Internet stability or security.

ICANN's senior technical staff has been working in collaboration with the Network Startup Resource Center (NSRC), ISOC and others in the DNS community to provide training to ccTLD operators. During 2004 courses have been held in Amsterdam, The Netherlands and Bangkok, Thailand. Future trainings are expected to take place in 2005.

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 re-delegation 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.

During the past six months, ICANN has continued to achieve significant progress in working cooperatively with ccTLD operators and the ccTLD community to address issues affecting the stable and secure operation of the DNS. This has been achieved through regular and ongoing dialogue among ICANN, the approximately 250 ccTLD operators and the GAC (including meetings between ccTLD operators and the GAC at ICANN meetings), attendance of ICANN staff at ccTLD regional meetings, and further efforts to improve the timeliness and efficiency of the performance of the IANA function as it impacts ccTLD operators.

Six months ago, it was reported that the ccNSO was formed, and was in the process of holding elections for the ccNSO Council. The elections for the ccNSO Council have been completed, and the ccNSO Council is now in place. During this time, membership of the ccNSO has continued to increase. The ccNSO members and the ccNSO Council held meetings at the ICANN Kuala Lumpur Meeting in July. The ccNSO members meeting, open to both members and non-members, was well attended, and the following minutes were issued, identifying upcoming work of the ccNSO:

<http://ccnso.icann.org/minutes/minutes-20jul04.shtml>. The ccNSO also met with the Governmental Advisory Committee (GAC), and with members of the GNSO Council.



The ccNSO will elect two members to ICANN's Board of Directors to fulfill the complement of Directors as set out in ICANN's reform process, creating a Board of Directors truly representative of all of ICANN's Supporting Organizations. It is expected that the ccNSO will complete its selection of two members to ICANN's Board of Directors by the ICANN meeting in Cape Town in December 2004.

Additional progress has also been made in the past year with ccTLDs on the issues of process and theory of re-delegations and the establishment of frameworks for accountability of ccTLD managers. Step by step procedures for ccTLD re-delegations have been outlined and publicly noticed to the community by ICANN.

With regard to frameworks of accountability between ICANN and ccTLD managers, both ICANN and ccTLD managers have an interest in ensuring the stable, secure, and proper functioning of the domain name system. A formalized relationship is desired between ICANN and ccTLD managers acting as the trustees for the ccTLD on behalf of the local Internet community, to help to maintain stability for the single root, and to confirm accountability for the ccTLD operations. An agreement identifies where authoritative decision rights lie concerning ccTLDs, and the history of that authority, to help maintain accountability for operations.

Significant progress has been made in the last six months with ccTLD managers on the process and theory of redelegations and the establishment of frameworks for accountability between ccTLD manager and ICANN. These frameworks of accountability follow the recommendations contained in the February 2000 Governmental Advisory Committee principles for the administration and delegation of ccTLDs. Since the last report, and with the formation of the ccNSO, ICANN staff is now working with the respective interested parties to identify criteria that must be included in agreements between ICANN and a ccTLD manager, and to work with respective ccTLD managers to ensure that their unique situation is encapsulated in a framework of accountability with ICANN.

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 two significant efforts with the regard to the implementation of top level domains.

A. ICANN LAUNCHED THE SOLICITATION FOR APPLICATIONS OF A NEW ROUND OF SPONSORED TLDS.

Request for Proposals:

In December 2003, ICANN published a Request for Proposals (RFP) for the establishment and operation of new sponsored top-level domain registries (sTLDs). (See, in general, <http://www.icann.org/tlds/stld-apps-19mar04/stld-public-comments.htm>.) The RFP indicated that there was no limit set on the number of sTLDs to be designated. In order to be awarded a registry, an applicant must first satisfy criteria published in the RFP, and then successfully conclude technical and commercial negotiations with ICANN. Those negotiations will culminate in the execution of an agreement between the registry sponsor and ICANN for the operation of the new registry.

Ten applications were received. Each applicant completed a web-based form and submitted a \$45,000 application fee. The “fill-in the blanks” form was designed to provide some uniformity so that evaluators could move through their evaluation process efficiently and with a degree of consistency. The \$45,000 fee was calculated to cover costs. Those calculations seem to be bearing up although some recent developments in the overall process may lead to costs in excess of the \$450,000 collected.

Independent Evaluation:

An outside project manager was named to lead an independent evaluation of the applications. The project manager convened three panels of experts to measure the applications against the criteria posted in the RFP. Those three panels tested the applications in the areas of, respectively: technical competence; business plan and

financial robustness; and whether the TLD belonged to a bona fide sponsored community. During the evaluation process, each of the three panels submitted a set of clarifying questions to the applicants. Those questions were passed to the applicants through the project manager in order to maintain the anonymity and independence of the panelists.

Each panel submitted a report determining whether the each applicant met the criteria and describing the reasoning behind the conclusion. ICANN staff compiled the reports and forwarded these to each applicant. In cases where the applicant had not met all three sets of criteria, the reports were accompanied with an offer to the applicant to respond in writing to the findings of the independent panels. Many have done so.

#### Go-forward plan:

Up until this point, all of the applications have progressed more or less in lock step. From this point forward they will continue at a pace dictated by the issues surrounding each application and the responsiveness of the applicant. The path each applicant will take varies according to which sets of criteria were or were not met. The following scenarios were designed to most effectively resolve the issues facing the applications.

When initially planning this process, it was assumed that the applicants meeting the baseline criteria would move on to technical and commercial negotiations leading to the designation of new registries. Those that did not meet the criteria would be thanked and provided with the independent evaluation reports that could be used to guide future applications.

#### Technical and Commercial Negotiations

Once the baseline criteria are determined to have been met, ICANN and the applicant will enter into a negotiation that will culminate in the execution of an agreement for the designation of a new registry. Discussions that are the first steps in that negotiation have been held.

#### **B. ICANN HAS PUBLISHED AN IMPLEMENTATION PLAN BY WHICH NEW gTLDs CAN BE IMPLEMENTED.**

The development of an appropriate process and policy for the creation of new gTLDs is central to fostering choice and competition in the provision of domain registration services, and as such is critical to the promotion of ICANN's core values. New gTLDs have been a topic of discussion within ICANN and the broader Internet community since the creation of ICANN in 1998.

ICANN is committed to developing and implementing a comprehensive strategy for selecting new gTLDs using predictable, straightforward, transparent, and objective procedures that preserve the stability and security of the Internet. This strategy is being

informed by ICANN's past gTLD introductions. The proof of concept tests in the Year 2000 round resulted in the introduction of seven new gTLDs, and this year's round is considering ten applications for Sponsored TLDs (sTLDs), a focused sub-set of gTLDs.

Review by third parties has confirmed ICANN's commitment to fair and impartial processes. As the OECD noted in a major review of ICANN's introduction of new TLDs:

“When OECD countries allocate resources they have certain common objectives irrespective of the method chosen. These can include efficient allocation of a resource and efficient use of that resource, transparency in the award of resource, non-discrimination, and the creation of appropriate conditions for market competition. There may also be other wider economic and social objectives. Through statements and actions it is clear that ICANN shares the ideals inherent in these objectives.”

The questions to be addressed in the implementation of a new gTLD strategy are complex and draw on technical, economic, operational, legal, public policy and other elements. Moreover, many stakeholders in the global Internet community will be interested in participating in the implementation of the strategy.

ICANN recently posted the implementation strategy for the establishment of new gTLDs (see, <http://www.icann.org/tlds/new-gtld-strategy.pdf>) for public access and comment (see, <http://www.icann.org/topics/gtld-strategy-area.html>). Those comments will be considered for inclusion into the plan as ICANN moves to begin implementation by 31 December 2004.

The implementation of new gTLDs has been a topic of discussion within ICANN and the broader Internet community since the creation of ICANN. The goal of expanding the top-level domain namespace precedes ICANN's establishment. The U.S. Government's "Statement of Policy, Management of Internet Names and Addresses," 63 Fed. Reg. 31741 (1998) includes the requirement to, “*oversee policy for determining the circumstances under which new TLDs are added to the root system*”.

The community input to be considered in the implementation includes (but is not limited to):

- an international economics organization on the introduction of competition into the TLD market and other similar markets, allocation mechanisms and possible appropriate business models for the TLD manager-ICANN relationship;
- a review and report on intellectual property issues involved in the introduction of new gTLD to be provided by the World Intellectual Property Organization;
- consumer protection issues, potentially from a consumer protection agency;
- reports from the Internet Architecture Board and ICANN's Security and Stability Committee on technical stability issues related to the introduction of new gTLDs, including planning for registry failures;

- an assessment of the Internet Architecture Board on the need for additional technical standards to support multilingual TLDs.

Thus far ICANN has received community input discussing the implementation of new gTLDs, as follows:

- OECD Report dated 4 May 2004, “Generic Top Level Domain Names: Market Development and Allocation Issues,”
- Summit Strategies report dated 10 July 2004, “Evaluation of the New gTLDs: Policy and Legal Issues.”
- Similar reports are in work from WIPO concerning intellectual property issues, the IAB, SSAC and RSSAC concerning Internet security and stability issues, and other entities on further aspects.
- Additional issues have been and are being brought forward by various working groups such as the IDN workshop held at ICANN’s meeting in Kuala Lumpur and the [ICANN] President’s Committee on IDNs.
- Contributions in the form of white papers, articles and treatises have defined or refined issues. Examples are, “ALAC Response to the Proposed sTLD RFP and Suggested Principles for New TLD Processes,” 9 October 2003; and “Four Issues in Auctions and Market Design,” by R. Preston McAfee, 8 May 1998.

The review and analysis of the received reports has begun. This process is part of the overall strategy implementation.

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.

#### Public Participation

ICANN is committed to global participation to ensure that policy development incorporates all relevant perspectives, and that it is operating for the benefit of the Internet community as a whole.

ICANN currently coordinates a number of aspects of public participation throughout ICANN via its main website [www.icann.org](http://www.icann.org). ICANN updates the website with news and ICANN announcements, including online Public Forums concerning issues pertinent and of priority to the Internet community. Recent examples include the sTLD process, strategy implementation on the gTLD process and significant contributions to the .net ‘successor registry’ designation process. Those messages are fed back into ICANN’s

continual self-evaluation of its performance in order to improve community relations, corporate responsibility and International accountability. In addition ICANN collects and organizes the messages and opinions gathered by news organizations concerning its performance. An improved Press Resource center for the ICANN website is currently under development and will be in place by November 2004 to further encourage global press interest.

ICANN will be adding a separate and additional Community Relations website to further promote participation. This website will be designed to provide fresh information, ease of participation in ongoing public forums, and an ICANN perspective on current issues in the Internet community.

Further participation in the ICANN process takes place at the ICANN public meetings throughout the year. This year, meetings in Rome and Kuala Lumpur have each attracted over 800 delegates from 78 different countries, and the Cape Town meeting in December is expected to draw even greater numbers.

A recent week-long meeting held in South Africa in September, called 'Highway Africa,' focused on efforts to foster programs for education services and information sharing. ICANN CEO Dr. Paul Twomey was keynote speaker on the issues facing African journalists on the changing environment of the Internet's infrastructure. In addition, Mr. Mouhamet Diop, an ICANN Board Member from Senegal, and the Brussels-based ICANN staff contributed to panel discussions and hands-on workshops, each attended by over 150 journalists. ICANN further contributed to these meetings by devoting the second edition of the new ICANN Update newsletter to Highway Africa, which highlighted our African Board members and At-Large initiatives across the African continent. As a result, ICANN has now created an African Press Club to continue to facilitate information sharing and ICANN announcements. This regular briefing will also be available in French.

#### At-Large

ICANN is continuing to advance the informed, structured involvement of the "At-Large" community (individual Internet users) with an international "At-Large Advisory Committee" (ALAC) and a growing network of end-user groups throughout the world designated as "At-Large Structures." ICANN appointed a 15-member Interim At-Large Advisory Committee (ALAC) last year to 1) consider and provide advice on ICANN activities that affect individual Internet users, and 2) help the worldwide At-Large community organize for involvement in ICANN.

Any group that enables informed participation by individual Internet users in issues addressed by ICANN is invited to receive "At-Large Structure" certification and work with ICANN. Since the Board approved the criteria and process for certifying At-Large Structures in June 2003, the ALAC has conducted outreach efforts in all five geographic regions to encourage the formation of a global At-Large framework. The ALAC has used its website, forum, 6000+ email announce list, press contacts, and regional and international meetings and conferences to share information about At-Large efforts and

educate the user community on why, and how, to become involved in ICANN At-Large. Interested, qualified groups are encouraged to complete and submit to the ALAC a short application form (the form and supporting information is available in English, Spanish, Portuguese, French, Italian, and Chinese). ALAC members are working with several groups in their regions that are interested in submitting applications, including community networking groups, professional societies, consumer advocacy groups, and academic organizations.

Thus far, 23 groups from all geographic regions have submitted applications to participate in ICANN as At-Large Structures. Of these, 13 have been certified since the last report. As of 1 October 2004, the following groups have been certified as “At-Large Structures”:

- Società Internet (based in Italy; Europe region)
- Arab Knowledge Management Society (based in Jordan; Asia/Australia/Pacific region)
- Alfa-Redi (based in Peru; Latin America/Caribbean Islands region)
- FITUG (based in Germany; Europe region)
- Internet Society Luxembourg A.S.B.L. (based in Luxembourg; Europe region)
- Internet Society Bulgaria (based in Bulgaria; Europe region)
- Moroccan Internet Society (based in Morocco; Africa region)
- Anais.AC (based in Cameroon; Africa region)
- Sudan Internet Society (based in Sudan; Africa region)
- Internet Society - Finland (based in Finland; Europe region)
- Catalan Chapter of the Internet Society - (based in Spain; Europe region)
- Asociación Costarricense de Derecho Informático (based in Costa Rica; Latin America/Caribbean Islands region)
- Internet Society Vasudhay Kutumbhkum (based in India; Asia/Australia/Pacific region);
- ISOC Taiwan Chapter (based in Taiwan; Asia/Australia/Pacific region);
- At Large@China (based in P.R. China; Asia/Australia/Pacific region); and
- National Information Infrastructure Enterprise Promotion Association (based in Taiwan; Asia/Australia/Pacific region)
- Internet Society Congo (based in DRC; Africa region)
- Internet Users Network (based in Japan; Asia/Australia/Pacific region).

These organizations represent a variety of individual users, and are wholly independent from ICANN. Certification simply recognizes that these groups meet ICANN's criteria

for involving individual Internet users at the local or issue level in ICANN and for promoting individuals' understanding of, and participation in, ICANN.

At-Large outreach and organizing activities have been conducted (or planned) this year in several geographic regions including: a European At-Large organizing meeting in Italy in March; Asia-Pacific At-Large organizing meetings in July in Malaysia, and in October in Seoul; a Latin-American At-Large organizing meeting in Peru in October; a Caribbean At-Large organizing meeting in October in Trinidad and Tobago; and an African At-Large organizing meeting in South Africa in December. To further support At-Large organizing and networking, the ALAC is applying for grants to provide financial assistance for At-Large formation activities in developing countries.

Ultimately, ICANN's objective is to have the ALAC supported by a worldwide network of self-organized, self-supported groups designated as "At-Large Structures." These groups (either existing organizations or newly formed for this purpose) are expected to organize into five Regional At-Large Organizations (one in each ICANN region - Africa, Asia/Australia/Pacific, Europe, Latin America/Caribbean, and North America). After being formalized through an MOU with ICANN, each Regional At-Large Organization (RALO) is expected to manage outreach and public involvement and be the main forum and coordination point in each region for public input to ICANN. The RALOs also are expected to elect a majority of ALAC members and contribute five delegates to ICANN's Nominating Committee.

ICANN's role is to educate and inform the At-Large community and encourage and facilitate involvement in ICANN. The establishment and effective functioning of the ALAC, a growing and active network of groups designated as "At-Large Structures," and the eventual creation of five RALOs is expected to provide for accountable, transparent stakeholder organization and ensure that the voice of different sectors of the Internet community will be heard and their representation effectively taken into account. At-Large organizing is still in its early, formative stages, so the efficacy of this framework is still unknown.

In conjunction with helping the At-Large community organize for ICANN involvement, the ALAC also is coordinating with At-Large Structures to contribute to ICANN's policy and decision-making and promote individual user community interests. At-Large representatives have participated in policy-development on such matters as the introduction of new domain names, domain name transfers and redemption grace period, WHOIS databases, WIPO II, Verisign Registry's re-direction of queries for non-existent domain names, registry service changes, WSIS, and internationalized domain names.

At-Large representatives are serving (or have served) as liaisons/members in the following ICANN policy-related groups: ICANN Board; GNSO Council; Transfers Assistance Group; WIPO II Working Group; Redemption Grace Period Technical Steering Groups; three GNSO WHOIS Task Forces; GNSO's new gTLD Committee; GNSO Committee of the Whole on Registry Services; and the (informal) WSIS coordinating group.



## Global Partnerships

ICANN staff's outreach to intergovernmental organizations (international and regional) and governments is important to foster informed participation in ICANN, to communicate clearly about what ICANN does and does not do, and to foster information sharing.

ICANN staff, through ICANN's CEO, its Department for Global Partnerships, and staff of the Department for Policy, has engaged in outreach to intergovernmental organizations and governments. ICANN has met with, established relationships with, and/or attended meetings of, several intergovernmental organizations. These include the World Intellectual Property Organization (WIPO), UN Economic, Social and Cultural Organization (UNESCO), the International Telecommunications Union (ITU-T, and ITU-D), CITEL, Pacific Island Telecommunications Association (PITA), Pacific Island Forum, Asia Pacific Telecommunications community (APT), Commonwealth Telecommunications Organisation (CTO), UN Economic Commission for Africa (UNECA), Organization for Economic Cooperation and Development (OECD), UN Development Program (UNDP) and others. Additionally, the ICANN CEO and senior staff regularly meet with governments when attending meetings in respective countries and territories.

ICANN also participates in the World Summit on Information Society (WSIS), and the discussions surrounding the UN Secretary General's Working Group on Internet Governance (WGIG). The WSIS exemplifies the global efforts towards a better understanding of the information society and its potential accessibility to all. Its in-depth exploration will likely reinforce that the Internet will not function without the cooperation and collaboration of the wide range of entities with interest in its operation. The tasking and process of the WGIG also reflects the value of participation by a wide range of Internet stakeholders.

ICANN, through its stakeholders, is following the WSIS discussions. It welcomes the opportunity to contribute to an open dialogue and understanding of the issues surrounding the very broad topic of Internet governance, working with the ICANN community to inform the WSIS process of what ICANN does and does not do, and sharing its own experiences as a multi-stakeholder partnership with the global community.

ICANN staff also works with business and civil society communities, interested in ICANN (but not yet participating) to foster information about ICANN, and for those seeking to participate in ICANN, provide information how to do so.

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 published the indicated report on 31 March 2004; see <http://www.icann.org/whois/wdprs-report-final-31mar04.htm>. A summary of the statistics provided in the report follows:

- Over the course of the eighteen-month reporting period (Sep-02 through Feb-04), the system received 24,148 confirmed Whois inaccuracy reports.
- 82% of the reports concerned domain registrations in .com, while .net and .org registrations accounted for 13% and 5% of all reports respectively.
- More than 40% of all the reports (9,938 out of 24,148) were submitted by just 0.3% of reporters (20 individuals out of 5,755 reporters).
- Over 20% of the reports had text fields that included the word "spam".
- The number of complaints sent to each registrar was generally proportional to each registrar's relative market share.
- On average, registrars were each sent approximately 0.00048 Whois inaccuracy reports per active registration per year, which equates to an average of 4.8 reports per year for every 10,000 domains under management.

More significantly, the statistical analysis and reporting of some recognized opportunities for improvement in the present Whois Data Problem Reports System (WDPRS). As a result, a new WDPRS was devised and deployed coincident with the report. The new system immediately demonstrated several benefits:

- Problem reports concerning data from all gTLDs can be entered into the system. Prior to the roll-out of the new system, only comments concerning .com and .net could be considered.
- The statistics indicated that ICANN staff intervention at a relatively early stage of the evaluation process did not contribute significantly to the improvement of data accuracy. That non-value added manual step was eliminated.
- Reduced registrar administrative burden without diminishing the value of the reporting system.

- Enhanced capability for the reporter to track the problem and offer feedback as the registrar handling of the issue.
- Enhanced statistics-gathering capability.
- Enhanced capability for ICANN to track registrar handling of each issue.
- Closed-loop feedback so that ICANN staff can become involved at a meaningful point, when registrar has demonstrably failed to take action.
- While the statistics gathered and analysis done for the recent report was meaningful, the new system will enhance ICANN's capability to gauge and report on the efficacy of the WDPRS.

The second annual report on the operation of the WDPRS is scheduled to be published on 31 March 2005.

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.

Beginning on 31 October 2003, all ICANN-accredited registrars were obligated to comply with the new "Whois Data Reminder Policy" (WDRP). This consensus policy requires that all accredited registrars at least annually display the current Whois information to the registrant as well as remind the registrant that provision of false Whois information may be grounds for deletion of the domain name. Registrants are also provided the option to make changes to the current Whois content.

The WDRP is intended to be an additional step to improve Whois data accuracy. ICANN is monitoring registrar implementation of the WDRP and is preparing a detailed implementation report, scheduled to be published on 30 November 2004.

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.

In June 2004, ICANN has consulted with DOC on the global aspects of a contingency plan and has adopted an initial version of a contingency plan for business or physical failure setting out a back-up plan for natural disaster, business events or other event that might physically disrupt ICANN's operations.

ICANN Business Operations and General Counsel's Office are continuing to improve the developed framework to ensure continuity of operations in the event of business failure.

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

As described in more detail in the Ninth Status Report, ICANN's President continues to engage in regular dialogue with the Department and the various constituent interests that make up ICANN. No specific new areas of collaboration have been agreed by the parties since the last status report.

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 in detail in the prior status report, this objective was completed successfully earlier this year. This and other completed organizational tasks have helped to solidify ICANN's strategic outlook, corporate stability and support systems. Following the public release of the ICANN Strategic Plan later this year, ICANN will be taking additional public comment regarding these efforts and will incorporate this feedback into the approach to these issues.

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:

As detailed in the previous status report, ICANN has developed a 3-year strategic plan. In preparing a multi-year Strategic Plan, ICANN is applying good business practices which allow ICANN to build on its successes and incorporate improvements over time. While the plan is designed to guide ICANN for the four years 2004–2007, it will be updated regularly by the Chief Executive Officer and Board to respond to the dynamic policy resolutions and interests of ICANN's diverse constituencies.

ICANN has achieved or made considerable progress toward achieving the following objectives described in the strategic plan. That progress is described throughout this document, including the material below.

- a. 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);

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 Plan (also required by the MoU) and the FY 2004-05 ICANN budget (i.e., the tactical execution of the strategic plan). Execution of the strategic plan and budget require ICANN staff to grow from 40 employees at the end of FY 2003-04 to 59 employees at the end of the next fiscal year. Specific areas of growth are indicated in the documents mentioned.

ICANN obtained and filed an executive compensation plan. The plan was procured from Fredrick W. Cook and Company (FW Cook) who were awarded the assignment after a competitive bidding process. The compensation plan measured compensation for ICANN's top eight executives against prevailing compensation patterns in the not-for-profit and technical sectors of the employment market. Adjustments were recommended in accordance with the result of that comparison and an implementation plan was put into place.

A management succession plan was prepared by internal staff members. 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.

- b. 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 has made significant progress relating to its corporate responsibility and accountability. We reported progress in ICANN's report to the DoC six months ago and also through the report issued as required by this section.

Since that time, ICANN has taken the following substantial steps to further promote corporate responsibility.

As reported elsewhere in this document, ICANN has retained the services of an Ombudsman after a thorough and successful search. In addition, the ICANN Board of Directors adopted changes to the bylaws to properly empower the Ombudsman in order to maximize the effectiveness of the position.

Regarding the implementation of Independent Review Panel services, the Board instructed the ICANN staff to complete negotiations with the International Centre for Dispute Resolution (ICDR). The ICDR has therefore agreed to provide services and fulfill the requirements of the Independent Review Panel.

ICANN made permanent the appointment of a General Manager of Communications and Public Participation. (This was a temporary appointment at the last writing.) This ICANN staff position is taking the messages and opinions gathered from news organizations, watchdog sites, universities and others concerning ICANN performance. Those messages will be fed back into ICANN's continual self-evaluation of its performance in order to improve corporate responsibility and accountability.

ICANN has over the past two years taken significant steps to ensure corporate responsibility and accountability over its Board of Directors, Officers and Staff. The ICANN Board of Directors has developed and will adopt a set of board governance principles. Those principles have been derived from the best and most applicable of respected board governance principles that are in place at well-respected organizations. The sources employed for writing these core principles include: CalPERS Corporate Governance Core Principles and Guidelines; PriceWaterhouseCoopers, *Financial Reporting and Corporate Governance in Not-for-Profit Organisations*; General Motors Corporate Governance Guidelines; the Council of Institutional Investors; and United Kingdom Principles.

ICANN Board Governance Principles center on, for example, board independence, board interactions with stakeholders, board member characteristics, leadership, performance review and the flow of information.

- c. 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);

The April 2004 report to the DoC described the [ICANN budget for fiscal year 2004-05](#), since adopted by the ICANN Board of Directors. In June 2005, ICANN published a strategy for securing more predictable and sustainable sources of income. That strategy, reflected in the adopted budget, described a six-point plan for securing stable sources of funding:

- Reducing dependence on registrars for funding by “capping” that source,
- Developing alternate sources of revenue,
- Developing a registrar fee that is predictable and proportional to registrar revenue,
- Developing agreements with gTLD registries that are tailored to their business model and result in additional revenues to ICANN,
- Executing agreements with more ccTLDs and increasing voluntary contributions beyond the current, nearly negligible amount,
- Executing a new MoU with the RIRs, resulting in increased revenues to ICANN.

In the 90 days since that report, ICANN has made considerable progress toward those goals:

- The ICANN budget in fiscal year 2004-05 featured a “fee cap” that will serve to limit registrar fees to 25 cents (US) per transaction for the next three years. It is intended that increases in other sources of revenue will support budget increases.

- The registrar fee in the fiscal year 2004-05 budget provides for predictable fees. This year's budget plans that the fees charged to registrants through registrars should be made on billable event (i.e., a per-transaction) basis rather than by the past quarterly calculation. The past method divides the portion of the ICANN budget allocated to the registrant fees by the number of total number of domain names to develop a "per name" fee. That fee can vary from quarter to quarter as the number of registrations fluctuates. Billable event or transaction based fees (fees paid by the registrant, through the registrar, to ICANN) effectively address these issues.
- The solicitation for applications to establish new sTLDs is underway. Ten applicants have entered the independent evaluation process. The agreements that will result from the designation of successful applicants will result in increased revenues.
- The strategy for implementing new gTLDs, recently published, will result in new agreements for the designation of registries.
- Several new ccTLD agreements are being negotiated. A contribution for the first time was received from the operator of the .us registry.
- As described earlier in this document, an MoU between the RIRs and ICANN is scheduled for signing. In anticipation of that, the RIR representative on the ICANN Budget Advisory Group agreed that RIR contributions to ICANN will increase 54% over last year's budget.

While ICANN expects some impact from these sources during upcoming fiscal year, it will take a full year or more to realize significant benefits. In the report on Funding, issued to the DoC on 30 Jun 2004, ICANN described other alternative sources of revenue. Steps have been taken to secure those sources also. The status of that effort will be more meaningful in six months time and will be described in the next report.

- d. 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 briefed 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 conduct operations. At that time compliance programs for each such area were identified and established to ensure compliance by both parties to each contract.

ICANN will continue to review these compliance programs and augment such as deemed necessary. In particular, complete staffing plans and operational budgets was prepared in conjunction with the ICANN budget for fiscal year 2004-05 and are currently in the process of being implemented.



Up until now, budget constraints have obviated the implementation of a proactive compliance program. In fiscal year 2004-05, through its annual budgeting process and in implementation of this program, ICANN has proposed the establishment of a pro-active compliance program. That program will test contracts for material compliance in several areas:

- domain dispute policy compliance (e.g., UDRP);
- compliance with Whois service and accuracy obligations; adherence to transfer rules; ICANN response to registrant complaints and inquiries;
- registrar data escrow requirements compliance; and
- evaluation of operational legal inquiries regarding registrar and registry performance

The proactive function also calls for registrar audits by ICANN compliance staff. These staff members will visit registrars to actively monitor compliance with Whois, data escrow and other requirements.

ICANN is presently recruiting staff to fill these roles.

- e. 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);

The ICANN community sees a growing need for outreach to developing country Internet communities, particularly in areas where network access to tools such as broadband and personal travel costs can impose a significant burden on local operators, users, and other stakeholders in the ICANN process. These local Internet communities are vital stakeholders in ICANN, relying on a stable and secure DNS to provide common ground as they connect to and engage with the global Internet. ICANN seeks to foster their involvement in the ICANN process, and to ensure that their needs are fully considered as policy is developed.

ICANN is therefore developing criteria for regional offices and establishment of an ICANN presence in each ICANN region to better support the needs of regional stakeholders, enhance staff diversity, and enable ICANN staff to attend and support more regional forums. Much of the financial and logistical support for these offices will be contributed by host governments and organizations. The regional presence will support and engage local community members, such as At-Large organizations, members of the technical community and Country Code Top Level Domains, on specific issues of concern to the region. It will allow ICANN to hand off operational issues across time zones to expedite processing and responsiveness. It will provide greater opportunity for

interaction with regional governments to identify outreach efforts. This will continue in the coming months with further announcements and assessment of the feedback from the public comment forums that have been put in place. Further discussion on input on appropriate modes and locations for ICANN regional presence and more significant participation in ICANN activities will be made during our Cape Town meetings in December.

The At-Large Advisory Committee (ALAC) continues to conduct outreach in each geographic region and encourage local and regional At-Large communities to organize and be involved in ICANN. At-Large Structures are forming/being certified in all five regions to help inform, organize, and involve in ICANN activities, individual Internet users at the local or issue level. As of 1 October 2004, 18 groups have been certified as "At-Large Structures" (eight more than six months ago), and four more certification applications are pending. These groups are discussing the creation of Regional At-Large Organizations (RALOs) (the At-Large Structures are to organize into five RALOs – one in each ICANN geographic region). The RALOs are expected to manage outreach and public involvement and be the main forum and coordination point in each region for public input to ICANN.

ICANN staff, through ICANN's CEO, its Department for Global Partnerships, and staff of the Department for Policy, has engaged in outreach to intergovernmental organizations and governments. ICANN has met with, established relationships with, and/or attended meetings of, several intergovernmental organizations. These include the World Intellectual Property Organization (WIPO), UN Economic, Social and Cultural Organization (UNESCO), the International Telecommunications Union (ITU-T, and ITU-D), CITEL, Pacific Island Telecommunications Association (PITA), Caribbean Community Secretariat (CARICOM), Pacific Island Forum, Asia Pacific Telecommunications community (APT), Commonwealth Telecommunications Organisation (CTO), UN Economic Commission for Africa (UNECA), Partnership for ICTs in Africa (PICTA), Organization for Economic Cooperation and Development (OECD), UN Development Program (UNDP) and others. Additionally, ICANN the CEO and senior staff regularly meet with governments when attending meetings in respective countries and territories.

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

The Communications team is currently updating and translating meaningful literature describing ICANN's mission and recent efforts. The publications include a new glossary of terms to help explain ICANN's various acronyms and structure, and ICANN profiles for the global organization. All of these materials are now available in multiple languages and we are in the process of posting these items in the relevant language sections of the ICANN Website to further facilitate International community input and discourse.

Translation services for new and noteworthy announcements will be in place by November to better assist the reporting mechanisms, as well as for regular reports ICANN produces so that the ICANN global community can benefit from input and dialogue with stakeholders throughout the world. ICANN is continuing to look for ways to improve and provide multilingual communications and materials.

ICANN has taken the following steps in recent months to fulfill the implementation of its multi-lingual communications strategy:

- At the ICANN meetings in Kuala Lumpur, the ICANN tri-fold informational pamphlet was distributed in Thai, Malay, traditional Chinese, Vietnamese and Japanese.
- Since then, the same document, and the ICANN Glossary, Structure, and At-Large materials have been reproduced in Arabic, simplified Chinese, French, German, Italian, Japanese, Portuguese, Russian, Spanish and Swahili.
- In the fiscal year 2004-05 ICANN plans for translation of key documents into (at least) the six United Nations languages: Arabic, Chinese, English, French, Russian and Spanish. Since Japan and Brazil have large stakeholder communities, ICANN will translate into Japanese and Portuguese whenever feasible and meaningful.

In addition to the new Website improvements, which will focus on navigation and organizational information, ICANN now produces a regular Newsletter updating the community on initiatives and the latest developments on issues such as IDNs and IPv6.

Also, the At-Large Advisory Committee (ALAC) and groups certified as “At-Large Structures” have conducted outreach meetings in, and distributed information in, English, Spanish, Portuguese, French, Italian, and Chinese. Groups certified as “At-Large Structures” have held local and regional meetings in numerous dialects and have assisted with the translation and distribution of ICANN-related information to non-English speaking communities worldwide.

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

As described in ICANN’s report to the DoC six months ago, stakeholders and the global Internet community collectively depend on reliable access to IANA services, i.e., a single and authoritative source of services and information related to system of unique identifiers. These stakeholders require timely, reliable, and accurate responses to their operational requests, and responsiveness to their evolving needs.

To increase its effectiveness as this single and authoritative source, ICANN has initiated a work program to map its processes and activities. Systematizing these processes will

enable faster, more efficient and more accurate performance of ICANN's operational functions.

Since the last report, ICANN has:

- prepared process maps of each service so that value added tasks can be given priority and assigned resources, and non-value tasks can be eliminated.
- evaluated potential tracking system models. ICANN and selected a model that matches IANA needs with regard to verification and managing multiple requirements with varying priorities.
- extended the automation effort to the registrar accreditation process. The process will be updated to reflect current market conditions. As a result, the time required to accredit registrars will be reduced and less expensive to administrate.

Empowered by the new budget, reasonable investment in technical resources and expertise is planned to be made in order to effectively meet these priorities.