Twelfth Status Report under ICANN/US Government Memorandum of Understanding

Quarter ending 30 September 2005

Posted: 7 October 2005

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 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, among others, the IDN registries, IAB, IETF, and the browser and application provider communities to determine solutions to domain name spoofing issues.

- As a first action, ICANN formed a working group of registries to revise the current version of the guidelines for implementation of IDNs. Particular attention has been paid to concerns that have arisen about the deceptive use of visually confusable characters from different scripts in individual IDN labels. The draft revision is currently in a public comment period to ensure that the IDN community input will be incorporated, after which changes will be implemented by the IDN GTLD registries. http://icann.org/announcements/announcement-20sep05.htm The IANA registry for IDN tables has been and will continue to be modified in accordance with community needs. This will ensure that a single depository for IDN tables is available for all registries that implement IDNs as the IDN guidelines go through revisions.

- To coordinate further activities and work efforts within the IDN field, ICANN has formed the President's Committee for IDNs. The scope of the President's Committee is to provide the ICANN Board and the community with advice on issues related to IDN policies and the implementation of IDN at the top level. In particular concerning the implementation of IDN at the top level it is considered important to ensure close cooperation of the entities with policy development roles and the technical part of the community, as policy development in this field will be very dependent upon the method used for implementation and vice versa.

- IDN TLDs are anticipated to be the main topic for the Vancouver IDN workshop in December 2005. ICANN has issued a formal call for papers to those who wish to actively participate in the sessions on internationalized top level domain deployment (http://icann.org/announcements/announcement-14sep05.htm). ICANN has and will continue to run workshops on IDN topics to facilitate sharing of knowledge and practical experience, as well as gathering of community opinions regarding the continued development of IDNs. The President's committee for IDNs will use these forums to recommend potential changes and work assignments to ICANN staff regarding IDN implementation and policies related hereto.

- 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. Each application is being independently evaluated. So far three new STLDs have been approved and ICANN continues to work through the process with the remaining applicants.

- In July 2004, ICANN announced the adoption of a new domain name transfer policy (the Inter-Registrar Transfer Policy) which became effective for all ICANN-accredited registrars and all unsponsored GTLD registries on 12 November 2004. Following the initial review and report on the efficacy of the new policy that was available in April 2005, staff together with a GNSO Council-appointed task force have been working on analyzing potential clarifications and changes to the policy. The advisory on clarification will be available later this year, whereas potential policy changes will go through a longer process led by the GNSO.

- Staff have been working with the CCNSO on a number of issues, including the first policy development process undertaken by the CCNSO, improvements to IANA procedures and functionality, developing guidelines associated with the accountability frameworks, and developing models for contributing to the ICANN budget.

- In September 2005, the GNSO Council resolved to request an Issues Report on key policy areas relating to the introduction of new GTLDs as a basis for a PDP process on this topic. Concurrently, the GNSO Council requested a background paper on existing IDN documents and decisions in view of launching a separate PDP process for IDN TLD aspects. Both reports are in progress.

- In April 2005, as a culmination of the RIR community's successful establishment of AfriNIC as the Regional Internet number Registry for the Africa region, ICANN fulfilled AfriNIC's initial request for IPv4 address space to assign to their users. Following community-established guidelines, IANA allocated a /8 net block of IPv4 addresses, and a standard block of Autonomous System Numbers (ASNs).

- In fulfilment of the ASO MOU, during the July ICANN Board meeting, the Board adopted a policy governing the process for consideration of global number resource policies forwarded by the ASO. The process incorporates ICANN community notifications and public comment opportunities, and also provides for ICANN staff to keep the Board apprised of ongoing policy developments in the IP number resource communities.

- ICANN completed evaluation of five applications to operate the .NET registry in accordance with a previously posted process and procedure. (See, http://www.icann.org/tlds/dotnet-reassignment/dotnet-general.htm.)

- ICANN has provided opportunities to promote 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 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 the ICANN CEO 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.

- ICANN staff worked with the Security and Stability Advisory Committee (SSAC) on its Domain Name Hijacking Report, which was issued during the ICANN meeting in Luxembourg on 12 July 2005 (http://www.icann.org/announcements/hijacking-report-12jul05.pdf). This report explored several recent examples where wrongful control of certain domain names had occurred. The report contained several findings and recommendations, including recommendations that further efforts be undertaken to educate the public on steps that can be taken to minimize such occurrences and enhance the security of domain name registrations. The report itself received extensive publicity and resulted in increased awareness of preventive measures individuals can take to protect the integrity of their domain name registrations.

> **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 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 Organisation (NRO) and the individual CEOs of the RIRs signed the 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 is the subject of an MOU between the ASO/NRO and ICANN. There are also specific ICANN Board Procedures, adopted by the Board on 15 July 2005, for handling global policy proposals in this context. These procedures contain a provision for tracking developments in order to ensure early awareness of such proposals.

At its meeting on 16 August 2005, the Board resolved to request such tracking of the development of a global policy proposal for allocation of IPv6 address space, under way in the Regional Internet Registries. A first background report with a status overview in table format has now been prepared by ICANN staff and posted on the web. It will be updated in a timely manner as developments proceed, for information to ICANN entities and the wider community

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 (PDP) suitable for their constituent communities.

Through the GNSO, ICANN concluded the following PDPs:

- The GNSO concluded a policy development process on new registry services, producing a recommendation for a procedure for use by ICANN in considering requests for consent and related contractual amendments to allow changes in the architecture or operation of a GTLD registry. The recommendation is subject to a decision by the ICANN Board and implementation by ICANN staff.
- On 18 August, 2005, the GNSO finalized agreement on advice to the Board proposing a change to the ICANN Bylaws to improve transparency.

On 15 July 2005, the ICANN Board, in adherence to Article IV, Section 4 of the ICANN Bylaws, initiated a review of the GNSO, "to determine (i) whether that organization has a continuing purpose in the ICANN structure, and (ii) if so, whether any change in structure or operations is desirable to improve its effectiveness." ICANN staff are working with the Board and the GNSO Council to prepare the terms of reference, process and timeline for that review which is expected to begin in early 2006.

ICANN has increased the staff policy support to the GNSO, CCNSO, and ASO, specifically by recruiting a dedicated GNSO Policy Officer, CCNSO Policy Officer, Manager, Policy Development Coordination, and Senior Policy Counsellor.

ICANN staff have systematically improved the support and reporting of the GNSO, initiating more frequent and detailed progress reports on specific policy issues, streamlined and timelier reporting on task force meetings, and improved information-gathering to support policy. ICANN staff are also assisting in the creation of an operational and strategic plan for the GNSO which maps to ICANN's MOU requirements, relations with other supporting organizations, recommendations of the 2004 GNSO Council review, and the overall ICANN strategic and operational plans. Considerable progress has been made in implementing the recommendations of the December 2004 independent review of the GNSO Council. Implementation of the outstanding recommendations on the GNSO Council is foreseen in the GNSO's operational plan for 2006. (The entire documentation related to the Review can be found at http://gnso.icann.org/announcements/announcement-22dec04.htm.) ICANN's enhanced policy support to the GNSO is intended to improve the functioning and transparency of the GNSO and assist it in producing timely, information-based policy.

Continued consideration is being given by the GNSO, through the use of specific Task Forces, on the use and accuracy of Whois data. This continues to be a complex issue on which ICANN is advancing more quickly now that dedicated GNSO staff support has been recruited. Two PDPs on Whois are at advanced stages: one on improving notification to registrants of the uses of Whois data, and a second on advice and a procedure for dealing with conflicts between Whois requirements in the Registrar Accreditation Agreement and national privacy laws. As ICANN's policy-making work on Whois has met with challenges in reaching agreement on several specific issues, the GNSO decided to re-focus the task force on defining the purpose of Whois in order to facilitate agreement on the use of Whois. In July 2005, the GNSO Council combined the existing separate task forces on Whois into a single task force with new terms of reference for work in the following areas:

(1) Defining the purpose of Whois

(2) Defining the purpose of the Whois contacts

(3) Determining what data collected should be available for public access

(4) Determining how to improve the process for notifying a registrar of inaccurate Whois data, and the process for investigating and correcting inaccurate data.

(5) Determining how to resolve differences between a Registered Name Holder's, GTLD Registrar's, or GTLD Registry's obligation to abide by all applicable laws and governmental regulations.

Considerable progress has been made on defining the purpose of the Whois contacts. A separate working group on Whois accuracy, reporting directly to the GNSO Council, has also been set up to examine the efficacy of the existing policy and flag potential areas for improvement.

The CCNSO is conducting a PDP to consider changes to Article IX (Country-Code Names Supporting Organization), Annex B (CCNSO Policy Development Process) and Annex C (the scope of the CCNSO) of the ICANN Bylaws. This process commenced following a letter from CENTR—the Council for European National TLD Registries—detailing a number of issues considered to be standing in the way of a number of their members joining the CCNSO. On 6 June 2005, the CCNSO Council resolved to initiate the PDP process and it is anticipated that the final report, outlining recommendations, will be presented to the ICANN Board in November 2005 for consideration.

The CCNSO conducted a workshop at the WSIS PrepCom III process in Geneva which highlighted the different management models of four CCTLDs. An overview of the role of regional organisations was provided along with an outline of the role of the CCNSO. The workshop was well attended by more than 60 people representing governments, civil society and other interested parties.

The CCNSO currently has six working groups. The Accountability Framework Working Group continues to develop a set of guidelines aimed to assist CCTLD managers in their

negotiations with ICANN staff in formalising agreements. It is expected that draft guidelines will be discussed by the CCNSO at the ICANN meeting in Vancouver.

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

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 has adopted this policy.

> **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.**

The ICANN Ombudsman function, and the Alternative Dispute Resolution process that it practices, continues to flourish.

At the July 2005 ICANN meeting in Luxembourg, ICANN Ombudsman Frank Fowlie presented the community with his first Annual Report. While the Ombudsman has been in service since November 1, 2004, the Annual Report was released to coincide with the end of the fiscal year, and all subsequent reports will cover the July to June year.

See http://www.icann.org/ombudsman/documents/annual-report-2005-english-12jul05.pdf. The report has been translated into French, German, and Spanish.

The Ombudsman webpage and online complaint system are fully operational (http://www.icann.org/ombudsman/). The Ombudsman Framework, the document which provides operational direction for the Office of the Ombudsman, has been published in English, French, German, Spanish, Chinese and Arabic.

The Ombudsman has received and acted on over 1530 pieces of correspondence and complaints, including approximately 1300 emails from members of Friends of the Family concerning .XXX. The Ombudsman has dealt with 27 complaints within his jurisdiction, the majority of which have been successfully resolved, with a number still under consideration.

The Ombudsman has participated in 32 outreach events, with another four scheduled in the coming months.

The Office of the Ombudsman has obtained membership and recognition in the following Ombudsman organizations: United States Ombudsman Association, the International

Ombudsman Association, and the Forum of Canadian Ombudsman. There is a pending application for recognition and membership with the International Ombudsman Institute.

The Ombudsman maintains a separate, independent office, with office space in Marina del Rey and access to the Brussels facility.

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. The goal is for the parties to formalize the "best practices" already operating among the root operators and to formalize the consultation among root name server operators concerning improvements in the reliability and maintainability of the root server system. 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.

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.

ICANN continues facilitating the RSSAC in its role as an advisory committee to ICANN. As stated in the last report, the RSSAC reappointed a representative to the ICANN Board. Suzanne Woolf is the currently designated RSSAC Liaison to the ICANN Board of Directors and has been deeply involved and participating in technical advice and

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 and thus increase both the security and stability of their own systems and the Internet.

Thus far during 2005 courses were held in Kenya and in Guinea. Additional courses, in French and English, are scheduled in Senegal. Further courses are being scheduled for 2006.

An outcome of these courses (i.e., as CCTLD managers understand best operating practices and the tools available to them) is an increase in the number of changes requests to the IANA function of ICANN. CCTLDs staff members can talk through their specific needs on a one-to-one basis with senior ICANN staff and are helped to understand the best workflow for initiating changes as they relate to their specific cases.

> **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.**

ICANN continues to adopt a two-fold process in the pursuit of establishing stable agreements with CCTLD operators. CCTLDs interested in using the existing model agreements are able to do so; however, many are awaiting the outcome of the CCNSO's work on developing a set of guidelines to be included in a CCTLD framework of accountability. The purpose of these guidelines is to allow greater flexibility on the formulation of the agreement itself while ensuring that all issues are addressed.

This two-fold approach acknowledges that one model for stable agreements with CCTLD operators does not work for all. The CCNSO's consideration of draft guidelines to incorporate in frameworks of accountability is expected to take place at the ICANN meeting in Vancouver. It is anticipated that acceptance of guidelines will enable additional agreements to be concluded with a considerable number of CCTLD managers.

In addition to the work being undertaken by the CCNSO, ICANN has initiated discussions concerning agreements with 10 CCTLD managers, including the top four CCTLDs in terms of number of domain name registrations.

In addition to establishing frameworks of accountability with CCTLD operators, there is also ongoing dialogue between CCTLD operators and their respective governmental authorities. Within the ICANN structure this is evident through GAC advice being sought on local law issues identified in the CCPDP, regular briefings by the CCNSO to the GAC, and regular exchanges to facilitate dialogue between these two parts of the ICANN structure. Additionally, at the local level, ICANN is encouraging the sharing of experiences within the CCNSO and among CCTLD operators, and stronger dialogue between CCTLD operators and their respective governmental authorities.

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 regarding the implementation of top level domains.

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

ICANN has solicited proposals from potential sponsors to create new STLD registries. Ten applications were submitted. See http://www.icann.org/tlds/stld-apps-19mar04/stld-public-comments.htm.

The applications were measured against criteria published within the RFP (see, http://www.icann.org/tlds/new-stld-rfp/new-stld-application-parta-15dec03.htm). Three independent panels convened to judge whether the applications met the baseline criteria set out in the RFP: 1) the technical panel; 2) the business/financial panel; and 3) the panel charged with determining whether the sponsor represented a legitimate community as defined in the RFP criteria. The nine panelists (three people to a panel) were DNS experts recruited based upon published criteria (see, http://www.icann.org/tlds/new-stld-rfp/panel.htm). The independent evaluation effort was coordinated by an outside project manager to ensure deliberations were kept at arm's length. During those deliberations, the evaluators communicated clarifying questions back to applicants, each of whom (including the .TRAVEL sponsoring organization) answered in detail. These questions and answers were conveyed through the project manager in order to maintain the anonymity of the evaluators.

After reviewing the independent evaluation reports, written responses by the applicants and other documentation resulting from the application process, the ICANN Board determined whether ICANN should enter into negotiations with individual applicants for the purpose of designating a TLD.

To date, the status of these applications is:

- Delegated as new TLDs in the root zone: .JOBS, .TRAVEL (contracts signed on 5 May 2005).

- Contract approved by the ICANN Board, ready to be delegated: .CAT (contract to be signed), .MOBI (contract signed 10 July 2005).

- ICANN Board authorized staff to enter negotiations but has not approved agreement: .POST, .XXX, .TEL (TELNIC).

- ICANN Board directed staff to obtain additional information regarding the application; but has not authorized negotiation: .ASIA.

- Applicant failed to provide information adequate or sufficient for the ICANN Board to authorize of negotiations: .MAIL, .TEL (Pulver).

ICANN has commenced its strategy for implementing new GTLDs.

As indicated in prior reports, ICANN has completed all of its MOU milestones relating to new top-level domains on schedule. Last year ICANN 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. On 6 July 2005, ICANN posted a staff paper outlining remaining implementation steps and highlighting important issues

still to be addressed (see, http://www.icann.org/topics/gtld-strategy-area.html). ICANN's supporting organizations, the GNSO and the CCNSO, are commencing policy development work that will give bottom-up input and direction concerning the launch of new TLDs.

ICANN is currently advancing analysis of the detailed issues identified in the implementation strategy. In particular, the results of the pending STLD selection process will inform the GTLD strategy implementation. Also, fully internationalized domain names ("IDN.IDN") will be a key focus of cross-supporting organization discussions.

> **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 to foster informed participation in ICANN by the global Internet community and has made significant progress in this area since its inception in 1998. 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. ICANN's multilingual staff also is important in advancing this objective. They inform, educate, and encourage international involvement in ICANN by participating in numerous regional events and meetings in all geographic regions sponsored by various Internet stakeholders. Additionally, ICANN actively participates in numerous conferences and meetings throughout the world relating to Internet governance to educate and inform as broad an audience as possible. ICANN also continues to build on its multilingual communications initiative, which has turned ICANN into a multilingual organization that provides information and participation materials in sixteen languages.

ICANN and Internet Community Meetings
ICANN's Board meetings have evolved into important information sharing, training, networking, consensus building and decision-making opportunities for the global Internet community. 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 in Luxembourg and Argentina were conducted in English and French, and Spanish, respectively, and included workshops and forums on internationalized domain names, DNSSEC, the introduction of new top level domain names, and WSIS, as well as meetings of ICANN's constituencies and Board. A complete list of ICANN meetings is archived at http://www.icann.org/meetings/ along with extensive real time captioning of key events at each meeting since March 2003.

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. ICANN staff participates in these events to share information across a wide range of stakeholders. Examples of such events include the PacINET 2005, focused on the South Pacific region and involving constituencies ranging from civil society and the technical community, to governments and inter-governmental or regional organizations usually not engaged with ICANN. Resulting from such initiatives is further interest in future attendance and education, together with possible projects and educational initiatives in partnership with other organizations.

Education, Training and Information Sharing
ICANN staff also works with organizations such as the Internet Society, L'Agence Intergouvernementale de la Francophonie, and others to conduct joint workshops for CCTLD operator training. Additionally, ICANN staff works with organisations such as the DiploFoundation to contribute to educational services and information relevant to their students, and to courses and disseminated information as it relates to Internet matters under ICANN's responsibility. These initiatives provide not only a better understanding of what ICANN does, but also contribute to fostering informed partici-pation in ICANN, and discussions about Internet governance as they relate to ICANN.

ICANN also has conducted an outreach program to its key stakeholders through arranging an IANA Help Desk at IETF meetings. This has proven very successful in aiding request management, particularly through expediting communications between requesters and ICANN staff managing the IANA function. Because of the proven value this effort has shown, ICANN will be adding an IANA Help Desk to its ICANN meetings to facilitate communications with the CCTLD and GTLD communities.

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:

- Gave a presentation on ICANN and Identifier Administration at the Southern Asian Network Operators Group in Bhutan to introduce attendees to ICANN and the importance of the Identifiers in the Internet.

- Attended a meeting in Guyana of the Caribbean Telecoms Union to discuss ICANN's role in Identifier Administration.

- Met with local government officials and operators of the CCTLDs in both Bhutan and Guyana to discuss their involvement with, and pending business with, ICANN; the Bhutan trip resulted in the finalisation of the .BT redelegation, and the Guyana trip resulted in assisting the operators of .GY to advance their pending redelegation request.

- Conducted training sessions in Kenya and interfaced with CCTLD operators to help them hone their operators skills, advance their understanding of the DNS and IANA, and learn about best practices for operating critical DNS infrastructure. Training

sessions such as these enable ICANN to assist CCTLDs who may be less able to attend ICANN and other international Internet meetings.

At-Large

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

To actively promote individual user community interests within ICANN, At-Large representatives are serving as liaisons on the ICANN Board, GNSO Council and CCNSO Council, and the ALAC has participated directly in 13 ICANN Policy Development Task Forces and policy-related groups. On behalf of the At-Large community, the ALAC also has provided ICANN with formal policy recommendations and individual Internet user perspectives on numerous issues. Most recently, this includes: the introduction of top level domain names; the .NET registry contract and the selection of a new .NET registry; and various 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, to inform the At-Large community and encourage input on key issues and their potential ramifications for At-Large. Recently, the ALAC sponsored or co-sponsored events in Luxembourg and Argentina on WSIS, the introduction of new TLDs, and developing country ICT issues.

At-Large outreach and organizing activities also have been advanced through international and regional ALAC-sponsored workshops and meetings in over 13 countries in five geographic regions. At-Large's 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 At-Large. End-user groups throughout the world are registering with ICANN to help inform, organize, and involve in ICANN activities, individual Internet users at the local or issue level. As of 1 October 2005, 36 groups have applied for "At-Large Structure certification," and 22 groups have been certified in four geographic regions. These groups are being encouraged to work with ICANN to form Regional At-Large Organizations (RALOs). At-Large Structure groups in the Asia-Australia-Pacific region have developed a draft charter, bylaws and outreach plan for an "APRALO." They plan to finalize these documents and sign an MOU with ICANN to establish an APRALO in the next few months.

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 two 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 (WDRPS). 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. Further steps have been taken following each annual report to supplement and enhance the effectiveness of the system. This has taken into account knowledge gained from the studies conducted to prepare the report and input from the community about its experiences.

Staff has been added to conduct in-depth reviews and follow-up to inconclusive reports or reports that have resulted in no change in data. The system itself has been improved after each annual report to better automate the reporting process and to take full advantage of the information provided by individuals filing such reports. The communication with the registrars and reporters has been modified to better represent the nature of the reporting issues and outcomes.

ICANN continues to sample results from the WDRPS and has devoted staff time to follow-up on unresolved reports. The latest revisions to the process have included a new report to registrars approximately 45 days following the original report if the reporter indicates changes have not taken place. Sampling of these reports along with individual follow-ups has suggested that not all such reports are correct. In many instances registrars have taken action, but the reporter has not acknowledged this. Language in the follow-up reporting system has been revised to help improve reporter understanding of the steps taken by registrars. Registrars have also received additional communications

that stress the importance of taking appropriate action. Further compliance efforts are planned to increase accuracy and to reduce the number of unresolved accuracy reports.

As part of the registrar accreditation renewal process, registrars are required to document the number of reports they have received and the steps they have taken to address them.

> **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 first annual report on registrar compliance with the ICANN Whois Data Reminder Policy in November 2004 (see, http://icann.org/whois/WDRP-Implementation-30Nov04.pdf). Research and data collection are under way for the second annual report. Educational and contractual compliance efforts have been undertaken to assure full registrar compliance with this reminder policy.

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 70 registrars have gone through the renewal process since this policy was adopted. Of those, three 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.**

This objective was completed on schedule in 2004. As described in prior status reports, ICANN continues to improve infrastructure in order to ensure continuity of operations in the event of a natural disaster or other such "physical or operational event." ICANN servers and systems have been dispersed to secure and geographically diverse locations. Also, ICANN has had continuing discussions with DOC concerning the global aspects of ICANN contingency planning, in order to comply with the requirement that ICANN's plans for any disruption of operations take into account the international nature of the DNS.

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

ICANN's senior management has continued its regular dialogue with the DOC during this reporting period. ICANN's President, Vice-President, and General Counsel have met with senior DOC staff on several occasions and held conference calls in order to discuss ICANN's progress towards completion of the MOU and the transition of DNS management to the private sector. All parties maintain regular contact in order to resolve and discuss operational and policy issues as they arise.

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).**

Collaboration with the DOC on this objective was completed on schedule last year. As indicated in prior reports, ICANN's review of its corporate structure led to a determination that its current incorporation as a California Non-Profit Public Benefit Corporation remains well suited to current circumstances.

While ICANN's numerous contractual relationships with registries and registrars are tied to California law, ICANN is in every sense representative of the global Internet community. ICANN's staff and Board are very diverse; ICANN's fifteen-member Board of Directors hails from twelve different nationalities. By the end of the term of the MOU, ICANN will have held open public meetings in nineteen different countries: Argentina, Australia, Brazil, Canada, Chile, China, Egypt, Ghana, Italy, Luxembourg, Malaysia, Morocco, Netherlands, New Zealand, Singapore, South Africa, Tunisia, United States, and Uruguay.

ICANN's continuing efforts to ensure that ICANN is optimally positioned to support the privatization of the technical management of the Internet are now being institutionalized in ICANN's Internet community-focused strategic and operational planning processes.

> **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 year (July to December) being spent on a strategic planning and the second half of the year on operational planning. ICANN is now engaged in a process to update what is a rolling three-year plan (see, http://www.icann.org/strategic-plan/consultation-process-LUX/ for a description of the process and links to the schedule). A strategic planning process was developed that addressed the issues that were raised in the community feedback and, in particular, sought the views of the community at the beginning of the process.

At the Luxembourg meeting, ICANN conducted a number of consultation sessions seeking the views of the community on the July 2006 - June 2009 Strategic Plan. Sessions were run for Supporting Organisations (SOs), Advisory Committees (ACs) and other constituency groups. General consultation sessions were conducted in English, French and Spanish. The raw output from these sessions can be found on the ICANN website (http://www.icann.org/strategic-plan/consultation-process-LUX/output.pdf).

In the session on strategic planning at the Luxembourg meeting, members of the community raised additional questions that they wanted the community to consider. These questions and the original questions that were used for the consultation sessions in

Luxembourg were posted on the ICANN website in English, Spanish and French. No comments were received regarding any of the questions.

This feedback was used to form an "issues document" that will define the foundation of the next version of the strategic plan (see, http://www.icann.org/strategic-plan/strategic-planning-issues-paper-04oct05.pdf.) This issues document was sent to the Supporting Organizations (SOs) and Advisory Committees (ACs) so that they can review the issues raised by the community and make comments useful in the context of preparing the strategic plan.

In addition, the document will be posted on the ICANN website in English, French, and Spanish, and members of the community will be encouraged to make comments through the on-line forum.

Based on the feedback that is received from the SOs, ACs, and other members of the community, a key priorities document will be prepared. This will be a short document that sets out the proposed major areas of strategic focus for ICANN over the next three years. The key priorities document will be distributed to the SOs and ACs and published on the ICANN website. Subject to comments from the SOs, ACs and other members of the community, these priorities will form the basis of the strategic plan to be prepared and distributed in November for discussion at the Vancouver meeting.

It is anticipated that the next version of the strategic plan will be submitted to the ICANN Board in January 2006.

> **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 a previous report, 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 2005-06 ICANN budget (i.e., the tactical execution of the strategic plan). Execution of the strategic plan and budget plans for ICANN staff to grow to 68 employees at the end of the 2005-06 fiscal year. Specific areas of growth are indicated in ICANN's current budget and operational plan (see, http://www.icann.org/financials/adopted-budget-12aug05.html).

ICANN obtained and filed an executive compensation plan in accordance with the MOU. Similarly, 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. The ICANN Board is establishing a separate compensation committee in order to formalize oversight and work to capture best talent in key areas.

> **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);**

Last year ICANN successfully completed the review of corporate responsibility contemplated by this section of the MOU. During this reporting period, ICANN has continued to strengthen mechanisms to promote and ensure Board of Directors, executive management, and staff corporate responsibility. Areas of focus include work on the formulation of a set of "Core Principles and Corporate Governance Guidelines" (see, http://www.icann.org/committees/board-governance/board-governance-principles-28mar05.htm), and continuing refinement of ICANN's Office of the Ombudsman. On 12 July 2005, the ICANN Ombudsman, Frank Fowlie, presented the ICANN Board of Directors with his Office's first Annual Report. The report is available is English, French, German, and Spanish on the Office of the Ombudsman webpage at http://www.icann.org/ombudsman/.

> **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 outlined 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. In budget consultation meetings with GTLD registrars and others it was suggested that the registries (and others) should pay a larger portion of the fees. As a result, in the budget for fiscal year 2005-06

(see, http://www.icann.org/financials/adopted-budget-12aug05.html#ProposedRevenues),
it is planned that the GTLD registrar contribution is 70% of total revenues and the
combined registry planned contribution is now 28%.

Note that overall numerical registrar contributions are not decreased in this year's fiscal
budget; they are increased. This is due to the overall growth in the number of registered
names and the 25¢ per-registration fee held constant from the previous year. The ratio has
changed based upon the increased fees negotiated in the .NET registry agreement. The
same form of fees (based on a per-registration fee) has also been negotiated in the new
sponsored GTLD agreements. As time goes on, registries will continue to pay a larger
relative portion of ICANN fees.

There remains significant work to be done in other potential areas of funding. ICANN is
adding staff to accelerate execution of agreements with more CCTLDs and increasing
voluntary contributions beyond the current, relatively disproportionate amount. The
CCNSO has undertaken (and ICANN is facilitating) a process to determine a more
favourable fee structure. ICANN continues to negotiate with the RIRs to stabilize that
source of funding to bring it closer to the percentage agreed upon in the Task Force on
Funding (see, http://www.icann.org/committees/tff/final-report-draft-30oct99.htm.)

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.

> **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 conduct 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 500 presently, and the number of registries increased from 3 registries to 13
registries presently (with the introduction of .JOBS, .TRAVEL and .MOBI). Additional
staffing has been allocated to manage the relations and compliance matters with these
companies. In 2004 the area of contractual compliance (formerly limited to reactive types
of activities) was expanded to proactive efforts as ICANN undertook examination of all
contracts under which it conduct operations. At that time compliance programs for each

ICANN operational area were identified and established to ensure compliance by both parties to each contract.

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 fiscal years 2004-05-06, through its annual budgeting process ICANN has proposed the establishment of a proactive compliance program. Job descriptions has been 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.

This program encompasses a new staff division 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.

In particular in the past 6 months, a comprehensive compliance program has been followed in connection with the renewal of registrar and registry agreements. 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 29 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) one registrar had to accumulate the required $70,000 in working capital as required by the *Statement of Registrar Accreditation Policy*;

3) nine 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) four 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) three 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) five 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) five 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 31 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) seven 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 19 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) three 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) one registrar came into compliance with the *Restored Names Accuracy Policy*;

13) three registrars came into compliance with the *Whois Data Reminder Policy*.

GTLD Registries

Similarly, the majority of the Registry Operators and the Sponsoring organizations that entered into agreement with ICANN in 2001 are currently in the midst of the renewal time period that these agreements provide. As the renewal processes and the re-negotiations are worked through, all registry operators and sponsoring organizations are required to be in compliance with their old agreement before a new agreement will be issued. Statistics similar to the data listed above for the registrar compliance effort will be made available for work conducted with the registry operators.

Audit of Internal Functions

Although ICANN is not a public company subject to the lead audit partner and/or audit firm rotation requirements outlined in the Sarbanes-Oxley Act of 2002, the ICANN Board deemed it prudent to engage a new accounting firm to conduct the annual audit for the fiscal year ended 30 June 2005. KPMG had audited ICANN for 5 years since its inception. Moss Adams was selected as ICANN's new auditors for their significant expertise in non-profit audits, and was engaged earlier this year for the annual audit that is currently underway.

	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).

As previously described, outreach efforts are key to ICANN's mission as described in ICANN's foundational White Paper (see, http://www.icann.org/general/white-paper-05jun98.htm) and the current version of the Strategic Plan (see, http://www.icann.org/announcements/announcement-16nov04.htm).

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 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).

Implementation of significant parts of this program began during the past year. The program took on additional work through the increased awareness of ICANN due to the World Summit on Information Society process, and the discussion on Internet governance. In relation to the WSIS process, ICANN senior staff and some Board members have attended WSIS preparatory meetings (regional and global), using this as another means to provide information about ICANN, reaching out to and engaging with, key constituencies. The impact of the program with both the private sector and inter-governmental parties to conduct outreach to governments and local Internet communities has had a positive impact – 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. ICANN anticipates the demand on ICANN for outreach and the development of collaborative programs will only continue to increase.

Regional Presences

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

As a result of the increased demands for regional presence, ICANN is taking steps to establish regional presences in Africa, the Middle East, Latin America, Asia Pacific, and the Caribbean regions. These presences will be initiated and managed by Regional Liaisons who may work out of one of the existing offices until it is determined whether a

physical regional office should be established or if outreach activities can be effectively accomplished through other means. With the establishment of regional presence comes the need for a well thought through management plan to ensure operational efficiency, effective communications both internally and externally and outreach that ensures a strong interlocutory relationship at all levels and to all stakeholders.

Regional Liaisons will be the interlocutory with a region on issues relating to ICANN's core functions, as well as participating in the ICANN operational staff structure, outreach to respective communities and participation. Their understanding of local languages and cultures is important to the success of ICANN and participation in its processes. Regional liaisons will operate with a business plan of responsibilities, and provide regular reports concerning regional and operational issues will be provided to ICANN hub offices and other regional presences. ICANN has already established a regional presence in Europe, with its office in Brussels.

Specifically, ICANN's regional presence will:

- Enable responsiveness to local needs of Internet related issues that fall under ICANN's areas of responsibility;

- Support and engage local community members, such as At-Large organisations, members of the technical community and Country Code Top Level Domains (CCTLDs), governments and organizations on specific issues relating to ICANN's mandate that are of concern in the region;

- Enhance local coordination and support of ICANN's Advisory Committees and Supporting Organisations that form an essential component of ICANN's consensus-based policy development process.

The regional presences will also play an important role in supporting RALOs which the At-Large Advisory Committee and individual Internet user groups are working to establish in each of ICANN's five geographic regions (see below).

Engaging with intergovernmental and regional organizations

ICANN staff - through ICANN's CEO, its Global Partnerships, and Policy Development Support Staff - has engaged in outreach to both intergovernmental organizations and governments. ICANN has met with, established relationships with, and/or attended meetings of, several 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 Organisation (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 has received from several organizations requests that it to enter into MOUs or work with the organization to provide relevant trainings or briefings. With regard to the former, ICANN staff is reviewing these models as a first step toward designing a vehicle for entering into a formal agreement with these and other interested organizations.

At Large and the RALOs

With ICANN's support, 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. Although there is much more work to be done, ICANN and the At-Large community have made important strides since ICANN's Board approved an At-Large framework in June 2003.

In the last two years, the ALAC has conducted outreach in each geographic region to encourage informed, structured At-Large involvement in ICANN. The ALAC is using its website, on-line forum, 6500+ email announce list, press contacts, and regional and international meetings and conferences, to share information about At-Large efforts and interact with the At-Large community. For example, in the last six months, the ALAC has facilitated the following meetings: a European At-Large organizing meeting in Luxembourg; Asia-Australia-Pacific At-Large organizing meetings in Taiwan and Luxembourg; an Asia-Australia-Pacific outreach meeting in Japan; a Latin-American At-Large outreach meeting in Argentina; and an Africa At-Large outreach meeting in Nigeria. In addition, a workshop and a North American At-Large outreach meeting is being planned for Canada in November.

As of 1 October 2005, 36 groups have applied for "At-Large Structure certification" to be involved in At-Large, and 22 groups have been certified in four geographic regions. These groups are being encouraged to work with ICANN to form Regional At-Large Organizations (RALOs). At-Large Structure groups in the Asia-Australia-Pacific region plan to finalize their formation of an "APRALO" in the next few months. RALOs are expected to 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);

Since its initial MOU with the Department, ICANN has made significant progress towards its goal 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. ICANN is providing Internet stakeholders in every geographic region with basic informational tools to support diverse, international input and discourse.

The ICANN brochure and other materials are now translated into 17 languages; including specially produced dual-language editions of core materials in English/French and Spanish/Portuguese. An increased, comprehensive translation program has been budgeted for the fiscal year 2005-06 to assist with those stakeholder groups who do not operate in English as their first language.

ICANN continues to partner with members of the ICANN community to coordinate donated services and cooperative efforts. For example, the hosts and sponsors provided real-time Spanish translation of portions of ICANN's April 2005 meeting in Argentina, and real-time French translation of ICANN's July 2005 meeting in Luxembourg.

ICANN also continues to widely distribute translated ICANN outreach materials for corporate, government, and technologists' use. This is supplemented by ICANN brochures, booklets and CD-ROMs distributed across regions of the world to educate the Internet community on ICANN's role and core functions.

The communications team is currently updating and translating selected literature describing ICANN's mission and recent efforts. New publications include a media background information pamphlet to help explain ICANN's mission, organizational structure and various acronyms to the international press. This document has been translated into Arabic and French (with Spanish and Chinese planned for November 2005).

Maintaining a multilingual ICANN website also is an important part of the overall communications strategy. Translation of selected additional areas will be launched later this year, including translation of ICANN's 'new and noteworthy' announcements section, to enable broader understanding of, and participation in, ICANN activities.

ICANN has made the following progress towards achieving its multilingual goals:

- The ICANN overview informational pamphlet has been distributed in English, Arabic, Chinese, French, German, Indonesian, Italian, Japanese, Korean, Malaysian, Polish, Portuguese, Russian, Spanish, Swahili, Thai, and Vietnamese.

- The ICANN Glossary of Terms and Abbreviations has been made available in English, Arabic, Chinese, French, German, Polish, Portuguese, Russian, Spanish, and Swahili.

- A comprehensive booklet about ICANN and how to participate has been published in English, Arabic, Chinese, French, German, Portuguese, and Spanish.

- An overview of ICANN At-Large and how to join has been distributed in English, Chinese, French, German, Italian, Portuguese, Spanish, Arabic, Japanese, Russian, and Swahili.

- An overview of ICANN for the media has been distributed in English, Arabic and French.

- Information on ICANN's Board of Directors has been made available in English, French, Portuguese and Spanish.

- A paper on Internet Governance has been issued in English, French and Spanish.

- ICANN's first Ombudsman Report has been distributed in English, French, German, and Spanish.

- An "ICANN 101" CD has been produced in English and Spanish.

- Five ICANN Newsletters have been published, coinciding with key ICANN meetings and international events, in English, French, German, Portuguese, and Spanish.

- Other key documents on ICANN activities have been translated into (at least) the six United Nations languages: Arabic, Chinese, English, French, Russian and Spanish. Since Japan and Brazil have large stakeholder communities, ICANN also will continue to translate key documents into Japanese and Portuguese whenever feasible and meaningful.

- Filmed interviews with ICANN community members were conducted in French, Spanish, Portuguese, Bulgarian, and English for international distribution.

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.

The At-Large Advisory Committee (ALAC) and user groups throughout the world that are certified as "At-Large Structures" also help advance this objective. They 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.

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 custom 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 our customers. This was done in a way that did not put at risk the integrity or accuracy of key databases.

ICANN continues improvements and upgrades to the implementation described in the earlier report:

- The ticketing / request tracking system is being applied to multiple processes to increase operational responsiveness.

- The TLD change request template system has completed public beta-testing and the production system is being introduced in the next few weeks.

- The reporting inquiry/ticket status tool (including but not limited to the Root Management function) will be released shortly.

- Internal ICANN tools such as the one performing name server technical checks will be made available for use by TLD clients.

- ICANN has developed and implemented a registrar billing database. Registries send ICANN quarterly information regarding the add, renews and deletes of the domains for each registrar. The application synthesizes all data and calculates the quarterly registrar invoices. It then produces invoice data for transaction billings that is imported into the Fundware accounting application where the data is merged with support fee billing data and invoicing is completed. The registrar billing database then produces supporting reports to accompany the invoices. The registrar billing program keeps a history and tracks the stages of billing if a registrar wishes to defer payment on the domain traffic it has generated.

- Tools to better manage internal and stakeholder communication have been introduced: a step-by-step "wizard" process routes a misdirected communication to the proper person or department that can best handle the communication; and a ticketing/management system enables the ICANN user to track and manage internal communication.

- An additional automated query delivery system has been introduced in the Whois Data Problem Reporting system in order to better adjudge the efficacy of the system and to increase Whois data accuracy overall.