President’s Report
São Paulo
December 2006
Agenda

• Strategic Plan and Operating Plan.
• Joint Partnership Agreement
• .com agreement
• Improvements in the IANA function
• IDNs
• Policy Development initiatives
• ccTLD Accountability Frameworks
• ALAC
• Internet Governance
• Regional Liaisons
• Contingency Planning
• Accountability and Transparency initiatives
Strategic Planning

ICANN’s strategic planning cycle occurs during the first six months of the fiscal year (Jul-Dec). It is planned that this year’s (2007-10) draft Strategic Plan will be submitted to the Board at this meeting.

The Strategic Planning process (http://www.icann.org/strategic-plan/consultation-process-2006-07/):

- 26-28 Jun: Consultations held in four languages at Marrakech meeting
- 7 Jul: Open on-line forum for plan input established
- 13 Sep: Strategic Issues paper published for public comment
- 12 Nov: Input synthesized into draft Strategic Plan
- 20-28 Nov: Multiple consultations held to solicit criticism
- 3 Dec: Revised draft plan published
- 4-6 Dec: Consultations planned in four languages at São Paulo meeting
- 6 Dec: Final revised plan to be published
- 7 Dec: Public forum discussion
- 8 Dec: Board consideration
Operating Plan

• The Operating Plan is the one-year “action plan” targeted at accomplishing the objectives set out in the 3-year Strategic Plan

• The Operating Plan is comprised of a series of projects, each of which is backed up by a charter, work breakdown structure and schedule

• As a result of the public consultation process, this year’s Operating Plan differs in three respects from prior Operating Plans:
  – Each project is affirmatively linked to a Strategic Plan objective
  – Each project is budgeted: staff and dollars for other expense items
  – Outcomes are described for each project
Operating Plan

• The summation of the projects described in the Plan represent part of the ICANN expense budget, there is also a “business as usual” segment that is not captured by the activities in this plan.

• ICANN has implemented project planning methodologies to define, authorise and manage projects, in particular, to provide consistency in:
  – Accountability
  – Resource allocation
  – Setting priorities

• ICANN recently posted a Operating Plan Status describing significant accomplishments four-and-one-half months into the fiscal year (see, http://www.icann.org/announcements/announcement-22jun06.htm)
Joint Project Agreement

- What has changed and what has not changed
- How does it look now?
- What does it mean for ICANN?
- How has the role of the U.S. government changed post MoU?
- Is this just another MoU but in a different format?
USG Review of Future .COM Agreements (Amendment 30 of existing Cooperative Agreement)

• During the course of its review, the Department of Commerce sought the advice of the Department of Justice’s Antitrust Division on competition issues raised by the new .com Registry Agreement. USG preserved their right to conduct further reviews in the future due to the competition related issues involving a US Company.

• USG approval of any renewal or substitution will occur only if it concludes that it will serve the public interest in the continued security and stability of the Internet domain name system and the operation of the .COM registry…and the provision of registry services is offered at reasonable price, terms, and conditions.

• USG may seek specific performance of the pricing terms and competition safeguards in the new .COM Registry Agreement.
IANA

• Improved services and responsiveness over the full range of IANA activities
• Service level agreement signed with IETF
• Staffing
  – Grown from 5 to 9 full-time staff
    • Michelle Cotton promoted to IETF Liaison
    • Leo Vegoda hired as Numbers Liaison
  – Looking for additional operations person
• Continued development of automated systems (eIANA, statistics generation, etc.)
IANA Performance

- On average across all IANA an 82% improvement year on year
Internationalised Domain Names

- **IDN Program Plan key components** –
  - Maintain a secure, stable, and single interoperable Internet
  - Encompass all actions and deliverables needed to deploy internationalized top level labels
  - Make Internet resources available to users worldwide in their local scripts
  - Supply IDN dedicated staff resources and project plans for more transparency

- **Within the IDN Program plan the following activities are notably** –
  - Technical tests are conducted to demonstrate that insertion of internationalized strings in the root has no appreciable negative impact on existing DNS resolutions
  - Policy Development processes are launched to ensure broad global participation via joint working groups across supporting organizations and advisory committees
  - IDN Protocol revisions are under way via the IETF to support new Unicode versions and allow for a more stable underpinning of IDNs, especially as they are introduced as top level labels

- **At the Sao Paulo meeting there will be several activities related to IDNs** –
  - GNSO, GAC, and ccNSO working jointly to review policy issues
  - IDN workshop with IDN specialists to discuss results since last meeting and forward looking activities
  - IDN tutorial with basic information available to those not involved in previous IDN discussions and with a need to participate looking forward
Policy Development Activities

- New top level domains – well advanced with new TLDs forum centrepiece of São Paulo work
- Outreach to other SOs and ACs, including working session with GAC on public policy principles
- Policies for contractual conditions – continuing work on policy recommendations
- WHOIS – Preliminary Task Force Report open for public comment
Address Supporting Organisation

• The Global Policy for IPv6 address allocations has been finalized – and implemented
  – Proposal from ASO to ICANN Board – 14 July 2006
  – ICANN Board ratification – 7 Sept 2006
  – First IPv6 /12 block allocations to all RIRs – 3 Oct 2006

• The ASO AC has its second annual face-to-face meeting at the ICANN meeting in São Paulo
ccTLD Accountability Frameworks

• Accountability Frameworks have been signed with 15 ccTLD managers since posting the template documents in February 2006
• Discussions are ongoing with a number of other ccTLD managers
ALAC Update

• At Large community continues to work to establish RALOS worldwide
• First LAC RALO launched in São Paulo
• Outreach efforts have accelerated pace of applications from all regions in last three months
Internet governance

- ICANN participated in the Internet Governance Forum (IGF)
  - Respective stakeholders engaged at many levels and areas of expertise.
- Co-sponsored two workshops:
  - Towards a global multilingual Internet: Avoiding the risk of fragmentation
    (co-cosponsored: UNESCO, National Telecommunication Regulatory Authority of Egypt (NTRA), and ICANN).
  - Participation workshop
    (cosponsored: ICANN, ISOC, ccTLDs, NRO, others)
Regional Liaisons

- Regional Liaisons have been onboard as a team since January, and are responsible for engaging with and responding to stakeholders and participants in relation to ICANN’s mandate.

- Responsibilities include:
  - Outreach, support to and engagement with respective regions and stakeholders – civil society, business, governments
  - Partnering with respective organizations
  - Deliver against business plans consistent with ICANN’s operations and strategic plans

- Response from respective stakeholders (including governments) has been positive.

- Several new interested government participants have been put into contact with the GAC Secretariat.
Contingency Plan

• MoU Amendment 6, Article 2 (C) (11):
• Two aspects
  – Operations in case of natural disaster, or other physical or operational event, to ensure ongoing operations and no loss to global Internet community.
  – Business Failure or Insolvency, to ensure ongoing operations and no loss to global Internet community.
Operations in case of natural disaster, or other event

• Objective: To ensure ongoing global operations during event
  – Outage durations
  – Making practical use of ICANN’s global nature
  – Technical set up
    • Offices
    • Data centers
  – General Technical
Business Failure or Insolvency

• Objective: To ensure that core and necessary functions are carried out and that the relevant relationships, agreements, and public messages are managed to ensure stability and security of the DNS and the Internet
Business Failure or Insolvency (cont.)

- **Steps:**
  - ICANN executive staff communicates to ICANN’s Chairman
  - ICANN Chairman initiates investigation by independent auditor.
  - If determination that real risk of insolvency or complete business failure:
    - Creation of Executive Stability Committee (ExStabCom), with appointed eminent person adding 3 people including Chair of SSAC, ICANN CFO, and identified independent auditor
    - Consultation and advice be sought from wider ICANN Internet community, staff and Board if appropriate to ensure ongoing operation of core functions.
Business Failure or Insolvency (cont.)

- ExStabCom include appointment of an Emergency Names and Addressing Committee (ENAC)
  - Consisting of 1 GAC representative member from each region,
  - 1 appointed representative of each GNSO constituency,
  - 1 appointed ALAC representative from each region,
  - 2 appointed ASO representatives,
  - 1 appointed ccNSO representative from each region,
  - 1 root-server operator,
  - 1 representative from ICANN’s Technical Liaison Group,
  - SSAC Chair and 2 SSAC members,
  - 1 representative from Internet Architecture Board.

- ENAC to assist ExStabCom to execute ICANN’s technical and operational functions and to assist ExStabCom to form a replacement/reformed entity

- ICANN now needs Supporting Organizations and Advisory Committees to nominate its nominees for the relevant positions now for 2007
Transparency and Accountability: Management Operating Principles

• Addressing issues around accountability and transparency is very important (and should not be rushed); suggestions that expert assistance be sought
• All respondents identified the need for improvement
• Many comments focused on the need for a more transparent Board decision making process
• Some suggest that staff have too much influence on policy; alternative view that staff in any organization have influence by nature of their role
• Some suggestion that meetings should be open and/or recorded
• Communication style and website also identified as transparency issues
• Effective appeal and review processes identified as key to accountability
• Suggestions to put in place a set of standards (general and/or process specific) that performance could be measured against
Expert assistance

- ICANN wishes to engage external assistance in improving accountability and transparency, including:
  - conducting benchmarking
  - working with ICANN to identify areas of weakness
  - assisting with implementation of plans for improvement
  - advising on construction of Management Operating Principles

- The One World trust was selected after reviewing a number of organizations with expertise in accountability and transparency monitoring in the international arena.
One World Trust

• The One World Trust “promotes education, training and research into the changes required within global organisations in order to make them answerable to the people they affect….”

• Core framework is based on
  – Transparency: the provision of accessible and timely information to stakeholders and the opening up of organizational procedures, structures and processes to their assessment
  – Participation: The process through which an organization enables key stakeholders to play an active role in the decision making processes and activities which affect them
  – Evaluation: The process through which an organization reviews its progress and results against goals and objectives
  – Complaint and response mechanisms: Mechanisms through which an organization enables stakeholders to address complaints against its decisions and actions, and ensures complaints are properly reviewed and acted upon

• [www.oneworldtrust.org](http://www.oneworldtrust.org)
One World Trust: Global Accountability Index

Examples of companies included in the Global Accountability Index
- Anglo American plc
- Dow Chemical Company
- Exxon Mobil Corporation
- Microsoft Corporation
- Nestle
- Toyota
- Walmart Stores Inc
- International Chamber of Commerce (ICC)
- Confederation of Free Trade Unions (ICFTU)
- International Federation of Red Cross and Red Crescent Societies (IFRC)
- Oxfam International
Process

- Initial consultation (concludes 31 December)
- Discussion in Sao Paulo
- Development of terms of reference for One World Trust (by 31 December)
- Summary of initial comments posted Jan 07
- Informal benchmarking by One World Trust, including recommendations for improvement (released for the Lisbon meeting)
- Development (with One World Trust) of draft Management Operating Principles (for release before the Lisbon meeting)
- Consultation on draft principles at the Lisbon meeting
- Management Operating Principles adopted by the Board at the April meeting
What are our core processes from an accountability and transparency perspective?

- GNSO → PDP
- ccNSO → PDP
- ASO → Global Policy
- Contract changes and renewals → Consultation process
- Registry services → Funnel
- New GTLD process
- Financial
  - Budget
  - Controls
  - Op plan
- IANA
- Operations
  - BAU → Dashboard
  - Compliance Projects → Proj reporting
- Complaint Management
  - Compliance fn
  - Ombudsman
- Board deliberations and decisions
  - C’ty approval
  - Audit
  - C’ty approval
  - Board Finance
  - Board Audit
  - Annual report
  - IANA reporting
  - Annual report
  - Reconsideration Independent Review
What are some areas needing further attention?

- GNSO → PDP
- ccNSO → PDP
- ASO → Global Policy
- Contract changes and renewals → Consultation process
- Registry services → Funnel
- New GTLD process
- Financial → Budget, Controls, Op plan
- IANA

How to start an issue???

Board deliberations and decisions

- C’ty approval
- Board Finance
- Board Audit
- Annual report

How to communicate considerations and outcomes???

- Consultation process
- IANA reporting

Annual report

- Dashboard
- Proj reporting

Reconsideration
- Independent Review

- Compliance
- Ombudsman

- Operations → BAU
- Complaint Management
President’s Strategy Committee Update

- December 2005 ICANN Board approved the appointment by the President of a President’s Strategy Committee, to provide observations and recommendations concerning strategic issues facing ICANN. This does not replace the bottom-up process nor the strategic planning process.
- Committee engaged with community at ICANN’s meeting in Morocco and in early July posted consultation materials for the community that posed questions the Committee identified for further exploration.
  - Translated into Arabic, French, Italian and Spanish.
  - Town Hall consultations – wide range of comments and input received.
- President’s Committee met to review the comments and input received and prepared the draft report posted.
- The Committee will take input and feedback to the recommendations.
- The Committee will hold an online town meeting in February 2007 (date to be provided) for further community discussion, with the aim to provide a finalized report to the Board at its March 2007 meeting.
PSC Update continued

- Draft report covers three categories:
  - ICANN’s status and continued improved responsiveness to an evolving global environment:
    - legal status and identity;
    - regional presence;
    - root-zone management and transparency;
    - ongoing contingency planning.
  - Contributing to capacity development
  - Participation and role of stakeholders
THANK YOU