
LOS ANGELES – Global Domains Division (GDD) Update
Monday, October 13, 2014 – 13:15 to 14:15 PDT
ICANN – Los Angeles, USA

AKRAM ATALLAH:

Hello, everyone.

All right. Well, thank you all for coming to the GDD update. We have made a lot of progress in the last trimester, and I wanted to share with you some of the progress as well as the priorities of what we're working on.

Some people have been reminding me that I should actually talk about the things that we've done and not only about the things that we're going to do, because everybody thinks we're not doing anything. We just keep looking forward to what we're going to do next.

So I'll try to do a lot of that this time around, and maybe we can, next time around, do more of a comparison; you know, what we set out to do and what we did between this meeting and next meeting.

I will start with the -- Let's see if we can move this along.

I will start with the work that we're doing on the Internet identifier ecosystem, both the technology and the support functions.

In the IANA Department, we are very engaged in supporting the IANA stewardship Coordination Group and Elise Gerich is acting as liaison for that.

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The IANA team has put a session earlier, before lunch, about what they're doing, and I hope you didn't miss it but I'm sure there is also recordings of that session.

In the last trimester we did the DNSSEC signing ceremony. We also did our annual IANA functions customer survey, which the team got the high scores on. And also, we continued to meet all of our obligations in the IANA contract. And all of these metrics are available online for you to look at.

On the technology side, we have set out to improve ICANN's technical stature. That for us means basically more coordination with the community on technical issues. And it's important to note that with David Conrad joining us as a new CTO, there are a lot of -- there's a lot of work ongoing right now and we will continue to make progress in this area.

We have a strategy panel that came out with set of recommendations, and those recommendations are not something that ICANN can implement on its own. Not even the ICANN -- the staff and the community can execute on all by themselves here. So we have to reach out and continue with our engagement in these areas to improve the DNS technical both perception and technology for the future.

There is a workshop happening with -- on DNSSEC key rollover led by David Conrad this week. Of course it's a workshop so it's a bunch of people working on a plan for the rollover. So there is progress in that area, and please, if you see David -- I don't see him here, but if you see him, you can talk to him about the initiatives that we're doing and give him some ideas of what you think we should be focusing on.

We are very engaged with the technical community on this, and we hope to make a lot of progress so that we can be not only a place where we deal with problems but also become the thought leader where we can issue some white papers, we can bring the community around some initiatives in the very near future.

Of course, his biggest priority right now is to actually engage in the NTIA transition and making sure that we are ready for whatever the community agrees on that we need to do for the root zone management system.

On the security and stability and the resiliency side, with John Crain, we are actually focusing on the DNS risk framework. We have developed a framework, and we have identified a set of risks in there. And the goal is to move that framework forward and set mitigation initiatives for all these risks identified.

So there will be a session also on this topic, and please do attend this. This is very important for all of us.

Now moving on to the contracted parties' initiatives. On the registry engagement and support, we have been focusing on evolving and improving our relationship management with our registry and our partners in this endeavor. And we have announced an account manager per registry and registry applicant. And this is a very big step for us. We were able to move a lot of the work that our registry team was doing to our operations team. And as we move this work, they -- we freed them up to do more relationship management and engagement.

So we will continue to do -- to be your advocates and we will continue to support you in whatever you need to done, but the most important thing for us is to make sure we provide you ease of service for doing business with ICANN. That is the goal.

So whether it is in signing the contract, whether it is in adding new services, whether it is in -- whatever it is that you need to get your business done, our aim here is to actually facilitate that for you.

So with bringing an operations team in place, bringing the -- freeing up the team to do more relationship management, we believe we're going to provide more bandwidth for supporting you and making your engagement with ICANN a lot easier.

I think that the team is here, Krista and her team. I think that you received email if you are a registry on who is your point of contact for escalation, if you have any issues. And please do exercise them. They're here to support you.

And I forgot, of course there is a session to talk about the services update and your contacts there.

On the registrar side, we continue to perform the registrar support. As you can see, our, actually, registrars grew from 1,000 registrar, I think, last year to over 1100 registrars this year. So we continue to support that. But the same thing we've done with registry we're doing with the registrar, although a little bit delayed. We've actually moved the operation side, and not all of it yet but we moved some of the operation side that was being done by the registrar team to the operations team now, the GDD operations team. And with that, we're freeing up the

resources to do more engagement and relationship management, and we will continue to do that and we will see more increase of engagement and support.

Again, in this space, we continue to aim to support you better. And if you have any ideas, any issues, Mike Zupke sitting here is the leader of the team and he is here to support you and make sure you get what you need to do business with ICANN.

We're starting to do some WHOIS work, I think there was an announcement on that particular program. This was actually a review team recommendation, a WHOIS Review Team recommendation to do a statistical analysis of the WHOIS accuracy.

We also committed to do the review of the WHOIS new gTLD program. So instead of doing two separate works, we are merging these two together and we are going to actually implement both, our commitment to the GAC advice to implement WHOIS statistics and WHOIS checks as well as the review team, the WHOIS Review Team statistics. And we'll combine them and do them together, and this way we can leverage the resource and the cost to meet both demands.

And we will continue to update the service platform. I can tell you that we're not very happy with where we are right now on the service platform. We want to get it to the level where you can use it and you have one place to do your business with ICANN. So Chris Gift sitting here is working with a working group to -- for the users. Please, we have -- we're working with Michele as well as with Keith Drazek on the teams that we'll be working with within this user group to get the user experience improved and then support you better on that. But we

really want to get to a point where you go online to one place and all of your issues are in that one place. And eventually you could even deal with compliance issues in that one place. So whatever it is that you have to deal with, it will be all in one place and you don't have to go from one site to another to actually get your business done with ICANN. And I know that you're looking forward to that time frame, but it will be coming. So....

This is the portal timeline. And as you can see, we hope that a lot of this work -- not we hope. But a lot of this work is going to be done before the end of this fiscal year, and the goal is to achieve all of this, which is basically, in my view, getting to the point where we take the existing systems and the stuff we're working on right now to the finish line, and then enable us to start looking forward and stop being reactionary and start looking proactively to what else we can do to improve our support to you.

So I hope that FY16 will be more looking forward and implementing new things that you are asking for in order for your business to be done with ICANN.

On the server side, the operations team also is committing to delivering to the SLAs that we are putting together with them. So we received, at least from the registry team, a list of requests. That list, I think we've met almost everything that's there. We are working with the registry team on defining SLAs and the goals for -- and the metrics for what we can post so that you can have a good idea of how we're doing. Not only how -- So it's a two-way street. We ask you how you're doing and make

sure you're doing it well, so we should also reciprocate and put our SLAs in front of you and meet your demands as well.

So there's a session on that on Wednesday. Please do attend it and provide your input to the team so that we can all have an agreement on what we should be performing by when.

On the new gTLD program, I think it's very important to look at the program in three phases. The first phase was the application phase, and we're done with that. The second phase was the evaluation phase, and I think we're done with most of that stuff. There is some CPE that's left over, CPE work, community priority evaluation work. But other than that, all of the evaluation is almost behind us now.

So we're moving to the phase of what we call contention resolution. So now the majority of the focus is on the contention sets that are remaining. And these contention sets, there is about -- I will talk about them in a little bit, but there is a -- the team has a presentation for you that you can see, you can attend later on today to update you on all of our efforts and where we are, and also ask any questions that you want out of that.

In the contention resolution phase, there are -- there were about 233 total sets. More than half of those have been resolved. Four sets resolved via the auction of last resort, which is the ICANN auction, and four resolved via Community Priority Evaluation. But all the rest were actually resolved among yourselves, which is great.

Remember that the auction was a method of last resort. So ICANN did not go for the auction because we wanted to have an auction. It was

actually the method that the community agreed on to be the best method to move forward.

And we hope that actually a lot of these sets get resolved outside of the auction, and we will talk about that in a little bit as well.

So, if you look at our -- the work that remains ahead of us, there is a few dispute resolution issues left. The majority of what's left is in the contention resolution. The contracting we're done with 42% of the contracts that we expect to get. And there is about 58% left. Of course, you need to be contracted to go to predelegation testing. So you can see how it stretches out. And then, of course, you need to have all of that done before you get delegated. And so we have more work on the delegation.

It's very -- I'm very happy to say that the first new gTLD delegation happened just about a year ago on the 23rd October of 2013. And there were four different delegations. And it's now a year later. We have over 400 delegated TLDs.

So this number is -- was -- there was a lot of fear that this number could be over a thousand. And we wanted to cap it at a thousand. Well, you see that the process is not that simple. And it's actually stretching out. And we did only 400 in a year. So -- or so. So we have a lot of room from the target not to exceed 1,000.

This is the application pipeline. I think you're familiar with this now.

There are a lot of different phases in the program. The not yet eligible phase where you see 410, most of them in are in contention. There are

18 in GAC advice and 5 in objections. So it's very minimal set that's still in the process. The rest are our own contention.

We've actually now moved forward with a -- the brands who were holding up on responding to the contracts because there were some negotiation going on. We've moved forward. And now there's only 54 applicants where we send them a contact information, contact information request. And they haven't responded yet. There are a few contracts that are in process. And then the -- you can see how the pipeline is thinning on our side, which means you're expecting a response from our operations team. You are getting the response fairly quickly. It is, basically, the applicants who have -- who are now holding the process or holding their application from moving forward.

So the majority of the issues, as you can see, is work right now on the side of the applicant. So I think the staff has been doing their part, and our partners in the process have been doing their part in accelerating or moving the program forward. And the program is well under way.

On the auction status, it's important to note that I think about a month ago we had over 16 auctions set up for October.

As we get closer, now we have three.

So it's very hard to predict how many auctions we're going to have until the last minute. As somebody from the applicants told me, a lot of the settlement of these things happened on the court footsteps, if I remember the words correctly. So, basically, they keep waiting until the last minute. And then they strike their deals at the last minute. And then they withdraw from the auctions. So we don't know really how

many auctions we're going to end up with. But everything is scheduled except for the ones that are ineligible, and they are ineligible because they are waiting for CPE or pending accounting accountability mechanisms or they are in an indirect contention set, which, actually, we finalized the rules on. And we will have those published next month. Okay?

It's important to give you a view of the financials of the program. We set out originally with a financial model that said -- because we knew kind -- roughly the number of applications. But we couldn't talk about it before the application round was closed. We put the model of 2,000 applications.

The way that the model was broken down is that, just based on the fee, the fee had 25k for historical costs. It had 100k for operations. And then the rest for hard to predict costs. So, when we put the model out there, it was broken down on 2,000 applications of 50 million for historical costs, 200 million for application processing, and 120 million for hard-to-predict costs.

Now that we are well into the program, we reviewed our forecast. And since, of course, we had 70 fewer applications -- so that's \$50 million less than the model was showing. The historical costs were only 33 million, not 50. So net net with the refunds of 51 million, we have a program operating expenses of -- forecasted of 192 million and a forecast of remaining funds of 87 million.

Now, I want to say that we have -- we've added in this budget, in this forecasted budget, two more years to the program. And the reason we did that is because we believe that there will be laggards, not many, but

some that will not -- some applications that will not be done in the FY16 and -- but in the FY17 time frame.

So that every year that this program extends costs ICANN \$10 million. I think it behooves us to try to accelerate this and save this public money.

So we will try to accelerate this -- these laggards as much as we can so that, if we can shave one year from the program, we will shave \$10 million out of the cost.

That is the -- in my view, a -- the appropriate thing to do. But, of course, we cannot guarantee that this will happen. And, as long as we don't finish the program, we have to find ways to keep all of our processes of predelegation testing, all of the team that works on the program, maybe not all of it but at least some of it, operational. And that will cost ICANN this money. So it's important for us to do our best to try to shave some of that cost. We will not know -- of course, it's a forecast. We'll not know exactly the amounts that are in there until we actually finish the program, but this is our best estimate right now.

On the internationalized domain names, we -- you know that we have this variant program that's being in the works for a while now. We are focusing right now on completing the root zone label generation rulesets. We've done a few of the scripts. I think Arabic, Chinese have been done. Even -- even, well, we still need some work maybe on the Korean and the Japanese, I think. But we're making a lot of progress. We hope to focus on the Latin, Cyrillic, and Greek scripts this year and get those behind us as well.

As we finish all of these things and there will be an aggregation of all of these rules and a -- hopefully, a final ruleset for the variance program.

There is a session on that on Wednesday as well. Please participate. It's very important for ICANN that we get this done. There are a lot of applicants or wannabe applicants that are waiting for this to get done. And we want to support them because our internationalized domain names are very important for our globalization and our outreach and making sure that everybody can use Internet or the domain name system as they see fit.

On the name collision, I'm very happy to say that the framework that we put together is working very well. I think that it was painful to a lot of the applicants. It was painful to find a solution, for the community to find a solution. But it is important to note also that collisions are happening and the affected parties are benefiting from what we put in place.

It is a continuous program. We continue to reach out to them, educate, help, assist. Our registries, our new gTLD registries have been excellent supporters in this. They've been available to help any affected parties. Any time that we had to reach out for a registry to support an affected party, they were there to help them in mitigating their issues and getting the problem resolved.

So I think the program is working very well. We're now focusing on a small but important issue. Some of the applicants that went out before this framework was rolled out had a list of strings that they had to reserve. In certain instances, they did not allow registration of these lists in the -- during their sunrise period. So we are working with the

community to find a way for the TMCH, trademark customers that have their strings in the TMCH and they are strings that were on this list, to be able to participate in a sunrise period. So we're working with the community on that. And we're hoping that we will resolve this in the next -- hopefully, in this meeting but for sure in the next couple of months. And then facilitate the TLD to move forward with their plans and get their job done.

There is a session on this on Wednesday. Please do attend it if you're participating in this. It's more -- it should be more of a workshop to find a solution that's acceptable for everybody so that we can move with -- so the TLDs that are affected can move with their business.

On the rights protection mechanisms, we're now under -- we're starting the review of the user experience with rights protection mechanisms.

There is a session on that. We've implemented the TMCH. We've implemented URS and the post delegation dispute resolution procedures. All of these need to be reviewed. And, of course, there is a session on that as well.

We should make apps for these sessions.

[Laughter]

On the universal acceptance, which is a very important topic, but also the -- in my view, one of the hardest topics that ICANN deals with, we have to be able to be agents of change.

We have to be the advocates of the universal acceptance with -- the entire ecosystem. And it's very hard to do. But I think that if we put our

minds together and outreach together, we can do it together and get a lot more done a lot sooner.

So please make sure you participate in the session, because that's where we need as much community support as possible.

Because this is beyond staff's ability to move the needle. We need the community support to reach out to a lot of software vendors, a lot of browser vendors, a lot of -- everybody that sits in between both on the email side as well as the browsing side to actually get their software updated so that they can accept the scripts, the different scripts that are -- that people use on the Internet today so that we can be effective and the user experience with -- not only with the new gTLDs but also with the different scripts is enhanced and improved.

The next round. It's amazing how quickly this topic brings both sides of the issues to bear. I was with the GNSO yesterday and of course I heard one side saying yes, you need to be pushing hard and accelerating the next round because that's what we -- that's what the board committed to, that's what the policy -- the GNSO policy calls for, so you need to perform the reviews and move quickly, as quickly as possible to the next round. On the other hand, we had, of course, the argument no, we have to go do every review, we have to check everything that we can check, make sure that everything that we can improve on gets addressed before we move forward. That's the beauty of the multistakeholder model, and I'm happy that I'm not the one that's going to decide that.

[Laughter]

So we will work with the community. We laid out basically four tracks of reviews that are mandated by the program. I believe the sooner we start on the reviews, the more time we can do -- we can give to improve the next round. And, of course, let's not remember -- let's not forget that the reviews themselves are not the only thing we need to do. Every review that generates a recommendation will have to end up with a lot of work on the process and the way we're going to implement the program that needs to be implemented also before we can start the next round.

So, you know, plans are always optimistic, in my view, but we've started the current round in 2012. In true fashion, five, six years, that's what the planning calls for right now, for the next round. So it is a -- actually a long time between rounds, but we have to do what we have to do. I think that this is what our plans will show, and the session that is happening today, later on in the afternoon, to lay out all of those different tracks on the reviews should be at least eye opening for everybody on all the work that has to be done and how much time we're allocating for all this work. So please do participate in this session.

On the WHOIS side, we have the thick WHOIS and then the RDAP initiatives. We are working with the community to see how we're going to get these two implemented. It's very important for us to let the implementers propose how they'd like to implement these two things. It doesn't benefit anybody to get everybody doing the work twice or three times. So we are working with the registries that need to -- and the registrars, I guess, that need to make changes to their system in order to meet these two requirements, and we are going to try to work

with them on the best way to get those things done. And once we identify that, of course we will -- you know, we'll share to the community there are two sessions to discuss these two separate tracks, but we are working with the implementers so that we can leverage the work so that they don't have to do it twice. And nobody can tell us how best to do this other than the people -- the people that have to do the work. So we're -- we're working on these things with the registries and please do participate in these two sessions to see the amount of work that has to happen to implement these two things.

I know that data privacy has been a big topic but more than just data privacy, data transfer across border -- across national borders is also a topic of -- of major interest. And we've actually started to put together a white paper with the help of a lot of the work that has been done by the community already on what is it -- what kind of data ICANN asks our contracted parties to hold? We want to look at the local jurisdictions and see what the requirements impact those -- this data. We want to gather all this information, work with the community, and put the white paper together so that we can start looking at what do we need to do next.

The important point here is that not the work itself but the important thing that I want to achieve here is that we are, as much as possible, ahead of the game. So we and the community are together, we know what the issues are. It's not basically hearsay that oh, there is this law coming out here that is going to affect us or there's this law that's coming out here that's going to affect us, but concrete evidence, concrete work that says, these are the things that are coming our way. We need to deal with them and how we should move forward to deal

with them so that we're not being reactive all the time. So this is, I think, is a very important endeavor that you're taking on. It should inform us all and hopefully facilitate our work moving forward and help us be ahead of the game.

So as you can see, all the sessions are listed here. It's very important to mention that the booth is also available in the main lobby. We've expanded the booth. We have staff scheduled at different times manning the booth. The idea is that for you, if you want to talk to somebody about anything, any business that you're doing with the GDD, please stop by the booth. You will either get an appointment or you can talk to somebody who's sitting there right away and get your issues addressed and resolved and you'll have a face and a name that you're talking to, not just the portal, so hopefully you'll get to know who is supporting you and get to know us a little bit better and tell us how we can help you more.

With that, I have my team sitting in front with mics, and if you have any questions, we will be more than happy to answer them.

DAVID PAYNE: You might not get a lot of comments because we're going to cover so many of these things in other sessions.

AKRAM ATALLAH: Yes.

DAVID PAYNE: So hopefully my question is one that is not going to come up later. I'm curious about the data privacy white paper, and I think it's great you're looking ahead on that. I'm wondering how far along that is and if you have anything to say other than looking for conflicts, you know, between jurisdictions?

AKRAM ATALLAH: So Jamie Hedlund is actually heading that effort from us and we will -- we will actually keep you apprised of that. I think that is a lot of material that the community had already developed, and so it's not that we're doing everything ourselves. We're actually just collecting a lot of information, trying to put the framework around the subject so that we can actually discuss it. We're well on our way in collecting the information and putting the paper together, but I think probably toward -- we would be able to discuss it in Marrakech, we'll have a session in Marrakech to discuss that. If you have ideas and you want to work on -- or help on this, please reach out to Jamie Hedlund and we'll be more happy -- than happy to have you support it. So -- okay?

DAVID PAYNE: Okay. And then I was asked just to identify myself, so I'm David Payne. I'm a legal finance office at Afilias.

AKRAM ATALLAH: Thank you, David. Well, actually, thank you. I now have a face to the name. Thanks. Any other questions? Unlike what Michele said about me, I think I was very clear and succinct today.

[Laughter]

Thank you very much. Thank you for attending this. I'm looking forward to seeing you all in the next sessions that we will have. Thanks.

[Applause]

[END OF TRANSCRIPT]