PRESIDENT'S REPORT

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40th ICANN International Meeting
Silicon Valley - San Francisco, California
14 March 2011

As prepared for delivery

Introduction

Welcome to ICANN's 40th public meeting – our eighth in North America. We meet today in a vibrant center of innovation and technical accomplishment. San Francisco and Silicon Valley are home to many of recent history's transformative ideas, where technology and inspiration join hands.

Here an idea can grab the imagination, take root and within months forever change the way the world communicates. Ingenious devices, applications and online services developed in Silicon Valley allow you to watch the streaming video of this session and post the blog you've just written. You can use your mobile phone to tweet your agreement or disagreement with my speech; you can use your iPad to tell your friends if you like my tie. They will know within seconds, thanks to the amazing innovations coming out of Silicon Valley.

Think storage. Networking. Graphics. Mobility. They all rely on basic semiconductor technologies developed here.

Think Facebook. Google. Apple. Twitter. This is the place they call home.

The Internet is the greatest communications tool in the history of mankind. It is changing the world by facilitating the spread of ideas beyond national borders - enabling human freedoms, stimulating economic growth, enriching cultural diversity and nurturing the seeds of innovation and social change.

And the Internet is helping those around the world who feel marginalized to raise their voices and be heard - not just in presidential palaces but far beyond their borders.

A Bit of American History
I was once lucky enough to acquire an exceptional bottle of wine. It was an 1820s Madeira made of grapes grown during the lifetime of President Thomas

Jefferson, one of America's founding fathers. The dusty green bottle had large air bubbles and an ancient cork. It had been preserved in a private wine cellar in New York that dated back to the 1700s.

A few years later I was invited to a dinner for President Clinton and I brought along that fabulous bottle. That night I had the extraordinary privilege of toasting Bill Clinton, our 42nd President, with a wine produced while our third President was alive. It was a magical moment.

Jefferson had a strong love of knowledge and a passion for debate on the issues of the day. He was a voracious consumer of information and believed that a well-informed public was a cornerstone of democracy. "I cannot live without books," he famously said. He was a wealthy man and built a fine collection of rare and important documents in his library at Monticello.

Now, through the global Internet, two billion people have virtually instant access to more information than the human brain - even Jefferson's - could process in a lifetime, and the contents of his library could easily fit on a thumb drive.

Imagine if Jefferson were alive to benefit from that resource. I bet he would be online and fully engaged in the critical issues of Internet governance and independence – some of the most important strategic challenges of our age. As David G. Post wrote in his engaging book *In Search of Jefferson's Moose*, if Jefferson were alive today he would probably be working on the design of Internet governance structures.

The Power of the Multi-Stakeholder Model
Issues of governance and independence remain key factors in ICANN's relationship with the US government.

The Clinton Administration was instrumental in the formation of ICANN in 1998 as a not-for-profit public benefit corporation. The Administration saw that the Internet would become a global resource, and envisioned a unique model that would welcome global voices to the debate on its future.

ICANN was thus conceived as a private sector led, multi-stakeholder organization to coordinate the domain name system that the world was increasingly dependent on.

As ICANN's formation evolved during the Clinton Administration, so did the Governmental Advisory Committee, recognizing the legitimate role of governments in public policy issues involving the domain name system.

We are honored to have President William Jefferson Clinton join us this week. He will speak at 6pm on Wednesday evening and I hope you can attend.

And I am delighted that a pivotal player in ICANN's creation, Ira Magaziner, has joined us here this morning. Ira, welcome, and thank you for all you did to make this organization a reality.

Creating ICANN required not just vision but courage. The inclusive multi-stakeholder model that is now so basic to our work was a radical concept twelve years ago. It wasn't widely accepted and it is still under threat today.

It is built on openness, inclusion, trust and collaboration. Among Internet governance and operational bodies, these principles are woven into real multi-stakeholder processes.

The entire ecosystem collaborates: Internet service providers, domain name businesses, local Internet communities, governments, Internet protocol standards organizations, Regional Internet Registries, individual Internet users, non-profits and businesses around the world.

And ICANN actively engages with all of them. Because we believe in a simple principle: everyone with an interest in the Internet has an equal right to be heard in its governance.

The multi-stakeholder model is working. It works on behalf of the world and it brings diversity and richness of thought to the governance of a primary and precious global resource.

Is it messy? Loud? Slow? Frustrating? Yes, sometimes. It's in our communal DNA to debate - to examine every issue in sometimes excruciating detail to ensure that the global public interest is served. Some who do not get the decision they sought may occasionally express their frustration through calls for greater accountability and transparency or other reviews of process.

But we hear them too. Because the multi-stakeholder model works. *And the global public interest is served.*

When all voices are heard, no single voice can dominate an organization – not even governments. Not even the government that facilitated its creation.

IANA
The success of the model established with such foresight by the Clinton Administration can be measured many ways, most visibly in ICANN's years of reliable and successful coordination of the root.

ICANN takes its stewardship of this function very seriously and, through continuous improvement, has maintained a high level of performance and stability as the root system has grown from 251 TLDs in 1998 to 306 today.

Excellence and predictability of IANA services is critical to the future of the Internet. Root management and DNS coordination serve the community of nations and are critical to the preservation of a single unified Internet.

One of my most important responsibilities as CEO is to listen. And in our multi-stakeholder community, that means hearing a wide range of voices - from private companies to NGOs, from the technical community to the world's governments to average Internet users.

Since I became CEO almost two years ago, I have listened carefully as many in this community – at our public meetings and around the world – have expressed concerns about the structure of the current IANA contract.

Some say the agreement is not international enough. Some express the view that it's too short-term and that it erodes institutional confidence in ICANN.

Still others feel that the US Government's limitation of the IANA agreement terms to one year suggests a stopgap arrangement, whereas the global Internet, ICANN and the IANA functions demand reliability and predictability.

Some believe these functions could be better handled through an intergovernmental organization. Others disagree with that proposal vehemently.

Many in the community have called for greater transparency around root processing, looking for clarity on what happens between the time ICANN hands off a root change to the US Department of Commerce and the change is given to VeriSign for incorporation into the root.

These views are often coupled with a belief that the US government should live up to its 1998 White Paper and Green Paper commitments to make ICANN independent.

The Department of Commerce has recently issued a Notice of Inquiry, or NOI, in preparation for the renewal of the IANA contract – the fifth iteration since ICANN's formation in 1998.

This is the chance to add your voice to those determining the fate of the IANA function.

If your voice is to be heard, you must speak up. Whatever your opinion, we hope that you will express it - openly and in writing. Take full advantage of this unique window before it closes, and make a difference in the future of the Internet.

Transparency and Accountability

Each ICANN meeting is an opportunity to report on our achievements in increasing our transparency and accountability. We have a strong foundation to build on.

And we're building on it throughout ICANN – in every department and in discussions with every community organization - not only to meet our own goals but to surpass the standards of transparency and accountability of other global institutions.

For example, the public wiki launched in December to track and document action on Board resolutions now includes the rationale for each new one. And those resolutions are now posted in five U.N. languages.

We've also raised the bar for public reporting of staff activities and information. For example, a metrics dashboard provides detailed information on internal operations, including performance indicators on registrant protection, global participation, finance and internationalized domain names, among many others.

And the recent Board-GAC consultations in Brussels were conducted transparently, with almost 100 observers in the room and many more observing remotely.

This powerful dedication to transparency is helping us fulfill the obligations in our bylaws and in the Affirmation of Commitments.

That groundbreaking agreement affirms ICANN's independence and commitment to making accountable and transparent decisions in the public interest around the world. It also commits us to reviews by the community, including the recent accountability and transparency review.

After nine months of intensive work, the Accountability and Transparency Review Team has issued 27 recommendations. They focus on four areas: the Board - including the Nominating Committee's selection process - the Governmental Advisory Committee, public input and policy development, and review mechanisms for Board decisions.

Some recommendations relate to work that our staff is already doing, and the review team has provided useful guidance for this. Some recommendations will require new resources, and several will involve decisions and actions by the Board and other groups.

We are assessing ICANN's ability to implement the recommendations, which is largely the responsibility of the Board, Nominating Committee, GAC and Supporting Organizations and Advisory Committees, in essence the entire ICANN community. Staff resources and budget will be required. The Board has

asked the staff to propose a way forward for each recommendation and where practical, to provide preliminary work plans and budgets.

ICANN's draft fiscal year 2012 budget and operating plan are under consideration and ultimately the Board will decide which recommendations should be included.

We will respect the Affirmation's deadlines and provide the analysis, along with our advice, to the Board, which must take action by June 30th.

Now that was a lot of process and deadlines and budget, so let me be very clear: *we intend to fulfill - and wherever possible, exceed - our obligations under the Affirmation of Commitments.*

Not just on transparency and accountability but on the upcoming recommendations of the WHOIS and security and stability reviews as well, and the review of promoting competition, consumer trust and consumer choice. These international community reviews reinforce the concept that Internet governance is our common responsibility, and we will do our best to ensure they are successful.

International Relations
The Internet belongs to no country, and to every country. It belongs to all of us.

ICANN's relations with governments and other international stakeholders continue to advance. That doesn't mean we will always agree, nor is that the goal. What matters is the serious, respectful and positive manner in which we engage with each other, listen and consider each other's views. We can never make too great an effort in this respect.

We can also enhance our relationships through greater community participation in policy working groups. And in the spirit of transparency and accountability that we have all embraced, community participants should also be transparent about the interests they represent.

The recent Board-GAC consultations in Brussels on new generic top-level domains are good evidence of these deepening relationships. They demonstrated that the multi-stakeholder model is viable and that the GAC has an important role to play in it, as reflected in ICANN's bylaws. The meeting was held in a spirit of cooperation and mutual respect – transparently and openly. We listened carefully to the GAC's concerns, and we will do so again this week.

Another example of strong international collaboration is the ongoing effort to ensure the continuance of the Internet Governance Forum.

The IGF is an effective building block in the governance of the global Internet. Its future – which looked so shaky just months ago – has benefited from a series of collaborative international efforts. And while it is not guaranteed, it has moved onto a more promising path than what might have been.

A working group of the United Nations Commission on Science and Technology for Development will propose changes that will affect the IGF's next five-year mandate. ICANN is participating as one of the five technical community representatives on the working group.

Planning is underway for the Nairobi IGF, the last to be organized under the existing terms, and reforms to facilitate the next five-year cycle are under consideration.

The IGF is a communication forum, not a regulatory negotiation. It serves as a valuable platform for a wide range of stakeholders to exchange views, and ICANN fully supports extension of its mandate.

IPv6

In Miami a few weeks ago, a diverse group of Internet leaders met to acknowledge an historic milestone - the allocation from IANA to the Regional Internet Registries of the last address blocks of IPv4, the Internet protocol that has been largely unchanged in 35 years.

The expansion to IPv6 is far more than a technical advance. It is a vivid illustration of the Internet's amazing growth, and an essential path to a future of continuing innovation and communication.

IPv6 offers a quantity of addresses beyond the human imagination: *trillions* of times larger than under IPv4.

Full adoption is essential to ensure that the Internet has room to grow, to accommodate the Internet of things and the ideas we haven't thought of yet - the ones your son or daughter may be dreaming up at their computer. For that vision to become reality, we need global adoption of the new protocol.

IPv6 is the platform for tomorrow's technology. Once we deploy it fully, the future will be limited only by the boundaries of our imaginations, not by the absence of Internet addresses.

Security and Stability
Nothing in ICANN's work is more important than keeping the Internet's Domain Name System secure, stable and resilient. It is our primary mission. Threats remain, including technical threats and political developments around the world.

ICANN conducted its fourth annual contingency exercise in early February, this time on L-root operations, demonstrating our commitment to fulfill our DNS charter.

With our partners, the Asia-Pacific Top Level Domain Association, the Internet Society and the Network Startup Resource Center, we conducted a secure registry operations course in Hong Kong during last month's joint meeting of the Asia-Pacific Regional Internet Conference on Operational Technologies and APNIC, the Asia Pacific Network Information Center. This was an opportunity for in-depth training with ccTLD managers on best practices and operational security, furthering our commitment to collaborate on DNS capacity building with regional TLD organizations.

This week's ICANN meeting includes a separate track that links all security-related events, such as this morning's DNS Abuse Forum, the Tech Day hosted jointly by the DNS Operations, Analysis and Research Center and the ccNSO, and the DNSSEC workshop. This is an easy way for you to identify and engage in security-related discussions.

We also welcome the law enforcement community members participating here – including Interpol. Our continuing collaboration enriches the multi-stakeholder landscape.

In partnership with the community, we will continue to do our part to help coordinate community-supported security and stability efforts, and to serve as a resource in addressing threats to the DNS.

DNSSEC
A significant security achievement is the ongoing implementation of DNSSEC. With strong community support, it is being vigorously deployed around the world.

We encourage companies to deploy DNSSEC on their DNS infrastructure – in effect, to turn DNSSEC validation "on" and sign their company's domain names.

In less then a year since the root was signed, today we have 63 top-level domains signed and in a few weeks, .COM - with almost 100 million domains names - will also be signed.

With the root zone signed, the number of domains using DNSSEC will accelerate. Large ISPs such as Comcast are deploying DNSSEC to provide additional security for their customers, and major equipment vendors such as Cisco are looking at building it into their products.

And finally, DNSSEC could help secure more than just domain names – perhaps email, web sites, identities, communications and programs – bringing seamless and trustworthy communication across organizational and national borders.

For those of you who may not be fully familiar with DNSSEC, there will be a session for newcomers today at four o'clock.

The Latin American and Caribbean TLD Association has set a target of 50 percent signed TLDs in Latin America by the end of this year. "2011 will be the year of DNSSEC for LAC TLD," according to its general manager.

We want to hear that commitment echoed around the world.

New Generic Top-level Domains
We continue to see progress in advancing the New Generic Top-Level Domain program. For some, that progress is not fast enough; for others it's far too fast.

But we're not in a race; we're considering a significant change to the world's primary communications tool. We do not do that lightly. Getting it right is much more important than doing it fast.

The Governmental Advisory Committee and the Board of Directors met in Brussels two weeks ago with three concise goals: to clearly identify areas where differences remain, to work together to bring those items to resolution and to move the process far enough forward that a decision to launch would be within reach.

It was a constructive session. We're not there yet but we've made significant progress on a number of these differences. There are remaining issues and given the extraordinary nature of the topics and the opportunities presented, we have provided extended sessions for the Board and GAC to meet this week.

Whatever the outcome, the collegial spirit of engagement shown by all parties in Brussels is a demonstration of the multi-stakeholder model at its best.

And the long-term work that has gone into preparing new generic top-level domains has had a welcome side effect: it has made ICANN a better institution. The long and inclusive community-based process has broadened our views. It has engaged individuals and organizations that had never participated in ICANN, and it established more collaborative relationships among existing constituencies and stakeholders, including the GAC.

The next step for new gTLDs is here in San Francisco, where the Board and GAC will participate in further consultations to ensure the GAC's public policy advice has been fully considered.

Internationalized Domain Names
Internationalized domain names are an eloquent testament to the power of inclusiveness and collaboration. Perhaps the greatest praise for IDNs since we met in Cartagena is that they have so quickly become ordinary.

IDNs are an amazing achievement – a profound change to the Internet and a core part of ICANN's rapid globalization. They have opened the door for billions to access the Internet entirely in their primary language. Naturally we like to shout that from the rooftops – all the way from Hong Kong to Qatar.

But as each new IDN enters the root, it seems less exceptional. That such an accomplishment should be considered normal – and not worthy of much notice – is the loudest endorsement of their success.

Under the fast track process we have received 34 requests for consideration of IDN country code top-level domains. More than twenty countries and territories have successfully completed string evaluation and are either at or near the last step - delegation. Seventeen countries and territories now have IDNs in the Internet's root. They include Arabic, Chinese, Cyrillic and Indic scripts, together used by over three billion people worldwide.

We are also undertaking the first annual review of the Fast Track process to ensure that it meets the needs of the Internet community and users.

Conclusion
This morning we've heard from an architect of ICANN, from one of the fathers of the Internet, from the Assistant Secretary of the US Commerce Department and the former White House chief technology officer - what an impressive group of distinguished individuals linked to the development of the Internet and ICANN. We thank them all.

And now I have had the honor to address you – ICANN's dedicated community of volunteers - and to thank you for your active engagement, which is the foundation of our multi-stakeholder model.

I will also thank you in advance for sending your thoughts to the US government in the next few weeks on how this model - which works so well already - can be improved even more.

This is the moment for you to be heard on ICANN's future and on the future of the Internet – to speak up, whatever your view, about the multi-stakeholder model of global Internet governance. You have until March 31st to make a difference - to express your opinion by responding to the Notice of Inquiry, and we urge each and every one of you to do so.

Thanks once again for participating with such dedication and enthusiasm in ICANN and in its public meetings. Let's make ICANN 40 a fun, respectful and productive week.

Thank you.

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