

TRANSITION ACTION PLAN

(REVISED, SEPTEMBER 2008)

Where are we now and how did we get here?

Ten years after its founding, ICANN is recognized as fulfilling its original vision of being the global coordinator of the Internet's unique identifier systems. This position has been reached through ongoing participation by ICANN's stakeholder communities, supporting ICANN to achieve the development goals set out in various versions of a Memorandum of Understanding with the US Government from 1998 until 2006 and a Joint Project Agreement (JPA) since then.

The President's Strategy Committee (PSC) has since 2006 undertaken research on various options, conducted community consultations, published periodic reports, and taken specialist advice on the steps necessary for ICANN to continue to fulfill its mandate at the expiry of the JPA.

The JPA Mid-Term review process¹ further demonstrated that the Internet community recognizes and supports ICANN as the multi-stakeholder, private sector-led organization responsible for the global coordination of the Internet's unique identifier systems. It identified some final steps necessary to complete ICANN's ability to fulfill this role.

The JPA concludes in September 2009. The PSC has prepared this Transition Action Plan, setting out the requirements of a post-JPA ICANN and the steps needed to consult the community and then implement that Transition Action Plan.

Where are we going?

ICANN shall continue to be the secure, global coordinator of the Internet's critical infrastructural resources. It shall continue to operate as a multi-stakeholder organization, in which the private sector² plays a leadership role, with informed participation by a wide and diverse stakeholder community including governments providing support and advice. This will allow the Internet to expand its reach and scope, ultimately to serve all the people of the world.

The key requirements, for ICANN to fulfill its mandate are:

¹ Summary of review process, see: <http://www.icann.org/jpa/index.htm#submission>

² Since the inception of ICANN, "private-sector led", as distinct from "public-sector led", means that ICANN is not led by governments or their public authorities, nor by an international treaty organization.

- 1) ICANN will be sufficiently safeguarded against capture.
- 2) ICANN will be sufficiently accountable to its multi-stakeholder community and will preserve the principles of bottom-up development of policies by those parties affected, and will maintain the structures, practices and bylaws of the ICANN model that have been developed by the community – including their regular review.
- 3) ICANN will be internationalized, to allow it to meet the needs of the global Internet community of the future.
- 4) ICANN will be financially and operationally secure.
- 5) ICANN will maintain its focus on organizational and operational excellence in performing its technical mission of ensuring safe and stable operations relating to the unique identifiers of the Internet, and of the IANA functions.
- 6) ICANN will maintain its multi-stakeholder model, and will preserve the principles of bottom-up development of policies by those parties affected, and will maintain the structures, practices and bylaws of the ICANN model that have been developed by the community – including their regular review.

The PSC considers the following initiatives may be appropriate to meet the objectives listed above:

1. To address freedom from capture

- 1.1. Ensure consensus or super-majority requirements for policy making, based on broad and diverse participation of affected stakeholders;
- 1.2. Ensure recruitment and maintenance of large and diverse constituencies;
- 1.3. Maintain or develop presence in jurisdictions with strong anti-trust law;
- 1.4. Continue to adopt best practice transparency measures;
- 1.5. Require participants in all Supporting Organizations, Advisory Committees, and their committees and working groups to provide public statements of interest;
- 1.6. Allow cross-participation in supporting organizations, advisory groups and/or constituencies, but prohibit voting by the same individual or organization in more than one ICANN entity;
- 1.7. Improve participation so that all relevant stakeholders around the world are able to interact with ICANN, including by establishing ICANN's presence in different jurisdictions.

2. To strengthen ICANN's accountability to its community

- 2.1. Establish an additional mechanism whereby the community can require the Board to re-examine a decision, based on a well defined process;
- 2.2. Establish an extraordinary mechanism by which the community can remove and replace the Board in special circumstances;
- 2.3. Maintain the advisory role of the Government Advisory Committee;
- 2.4. Continue regular periodic reviews of ICANN structure, and of the Board Reconsideration, Independent Review and Ombudsman functions;

2.5. Enhance and expand contractual compliance and enforcement.

3. To internationalize ICANN

- 3.1. Decide whether or not to amend ICANN's bylaws to confirm that its headquarters will remain in the United States;
- 3.2. Establish an ICANN legal presence in a jurisdiction that could provide it with an international not-for-profit status. Such a status would necessarily be in addition to ICANN's permanent headquarters and incorporation in the United States;
- 3.3. Maintain and develop as required the physical location of ICANN staff and operations around the globe in offices that best allow ICANN to meet the needs of the global Internet community;
- 3.4. Enhance efforts to make ICANN multilingual, including providing interpretation and translation services.

4. To Ensure Financial and Operational Security

- 4.1. Maintain and enhance the current Reserves Policy;
- 4.2. Explore alternative and additional sources of funding;
- 4.3. Continue and enhance the business processes of ICANN, building on the experiences gained with Strategic Planning, Operational Planning and Budgeting to ensure international organizational best practices are achieved.

5. To Maintain Secure and Stable operations

- 5.1. Noting that the United States government has indicated in its contribution to the President's Strategy Committee consultation in July 2008 that it has no plans to transition management of the root zone file from its present tripartite arrangement, discuss operational efficiency measures under the IANA procurement agreement with the United States Department of Commerce.

Supporting Information

Historical information, research advice and background information about the elements raised in the Transition Action Plan are outlined in the accompanying document, "Improving Institutional Confidence in ICANN."

An FAQ answering many of the background questions arising in this context is provided at www.icann.org/psc.

Consultation Topics and Timeline for Consultation

A number of key initiatives are recommended in this paper, many of them arising from previous consultation, including the JPA mid-term review held earlier in 2008. The Transition Action Plan now requires testing in a further community consultation, around the following key questions;

A. Have the key elements required for an un-capturable, accountable, internationalized, stable and secure ICANN post-JPA been accurately and sufficiently identified?

B. Are the initiatives described sufficient to meet the objectives?

C. Is the timeline set out sufficient to allow sufficient community consultation, and bylaw changes and other implementation steps to occur?

The PSC recommends that the process be broken into two, substantive pieces of work: a first “analysis and design” as part of the project, and a second “implementation” project. The first phase should be completed before the end of calendar year 2008. Implementation should occupy the first half of 2009, so that it is complete and can be assessed before September 2009

It is vital to the success of the entire project that the broad stakeholder community be consulted, and kept informed of outcomes. The PSC will engage the community through a comprehensive consultation process on the Analysis and Design project, the key dates for which are:

- 13 June 2008: PSC Papers presented to Board.
- 16 June 2008: PSC papers put out to public comment period.
- 22-27 June 2008: Paris meeting / PSC meeting and public consultation session based on structured and formatted set of questions.
- 31 July 2008: End of on-line public comment period.
- August - mid September 2008: PSC summary/analysis of public comments so far. Produce revised Transition Action Plan
- September 2008: Second public comment period
- October 2008: End of second comment period
- End October 2008: PSC summary/analysis of public comment. Produce final Transition Action Plan.
- November 2008: ICANN meeting / PSC meeting and further public session on final paper.
- December 2008: provision of final paper, including implementation milestones for 2009 to ICANN Board for approval.

Additionally, the PSC will also engage in outreach on a regional basis.

Expert Advisory Group

The PSC should continue to explore the value to be gained from the formation of an Expert Advisory Group to assist with consultations on the Analysis and Design project.