



The Internet Corporation for Assigned Names and Numbers

19 February 2016

The Board of Directors  
ICANN  
12025 Waterfront Drive, Suite 300  
Los Angeles, CA 90094

Dear Members of the Board:

*Subject: Summary of My Tenure*

As I prepare for my last meeting as ICANN CEO, I wanted to share my reflections on our journey together since I joined in 2012. My first thought is one of gratitude. I thank you for this wonderful opportunity, and for your trust in me as a steward of this important and unique organization. Throughout our journey together, I have consistently been awed by the immense dedication of our small but growing community to this massive living experiment toward multistakeholder governance. It has been intellectually challenging, humbling and messy, and I've enjoyed nearly every moment of it.

As some of you will recall, several criticisms were levied against ICANN in 2012, and altering these perceptions was a task the Board asked me to address in those early days. One key criticism was that ICANN was too U.S.-centric in its decision-making, and not properly reflective of its many stakeholders around the world. We also heard that ICANN needed to improve operational excellence and delivery of services. Many of these concerns centered on the fear that ICANN staff would not be able to fully implement the New gTLD Program, which had just opened the application window in January 2012. We were also told again and again that we needed stronger and better communication. With those criticisms in mind, the ICANN executive team set out a series of objectives and goals for how we would both address those criticisms and create the structures and tools needed to advance ICANN. That work has been our blueprint for the past four years.

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## **Four Objectives**

We began with four objectives. Affirmation of purpose was the first of these, and included the continued delivery of our core Internet functions and deep engagement in the Internet governance ecosystem. The second objective focused on raising the level of operations excellence at ICANN by institutionalizing management disciplines and building the back-end organizational functions that could scale to meet the growing needs of our contracted parties and fully implement the New gTLD Program. Thirdly, we wanted to internationalize ICANN from the bottom up. Or to put it another way: we wanted to bring ICANN to the world, rather than asking the world to come to ICANN. Finally, we set our fourth objective to evolve the multistakeholder model, which included increasing participation and promoting ethics and transparency. Among our concerns in this realm: The pressure from governments such as Brazil, China, India and Russia to bring the IANA Functions under control of the United Nations via a multilateral instead of multistakeholder governance model.

From a functional perspective, we translated the four objectives into 16 goals, 56 portfolios, 116 programs and more than 500 projects. Achieving these management objectives required restructuring. And so we moved quickly and assembled a stellar team of global leaders who lifted ICANN into a truly global profile by summer 2013.

We created new departments for government, technical community, DNS industry, business and global stakeholder engagement. We transformed the organization from a Los Angeles-based headquarters to one with hub offices in Singapore and Istanbul housing our Global Support Center and important services like registry and registrar support, stakeholder engagement and contractual compliance. These hubs and our engagement team - working from engagement offices in cities such as Beijing, Geneva, Montevideo, and soon Nairobi - helped us move decision-making out of the U.S. and into the world. David Olive blazed trails for us in Istanbul by moving there to personally oversee the opening of the hub.

We collected business operations and customer service functions into a single managed area called the Global Domains Division under Akram Atallah's leadership. The first of the new gTLD registries launched in February 2014, making new Internet domains available to the public in the largest expansion of the domain name system. We approached the difficult issue of WHOIS from several angles, including the formation of an Expert Working Group on gTLD Directory Services to help further the discussion on how to replace the current

WHOIS system with a next-generation gTLD directory service. We also worked closely with the community to design and roll out the latest registry and registrar agreements. We actively engaged with governments to promote the multistakeholder model, while also participating in two years of dialogue leading to the United Nations' 2015 World Summit on the Information Society (WSIS+10). We participated alongside other Internet governance organizations and many others at the NETmundial Multistakeholder Meeting. We launched the second Accountability & Transparency Review Team, an assessment spelled out within the Affirmation of Commitments to review our accountability and transparency in all of our practices.

Then, the environment in which we operated changed dramatically when the U.S. government announced its intention to transition the stewardship of the IANA functions to the global community. It was the realization of the longtime goal for both ICANN and the U.S. government, and a triumph of the multistakeholder model - built from the bottom-up for bottom-up governance. Guided by the deft hand of Theresa Swinehart, we launched a global dialogue about how that transition should occur, and how to strengthen ICANN's governance and accountability mechanisms. On 10 March, the ICANN community intends to transmit its final proposal to become independent from the U.S. government.

### **Where We Are Today**

ICANN has changed significantly over the last few years. We've made substantial headway against the criticism of being too U.S.-centric. One example I can share with you is that during the WSIS+10 in 2015, our team noted recognition from the heads of delegations that ICANN and its multistakeholder community had undergone an evolution toward becoming a global organization. This was a marked departure from the conversations and perceptions we witnessed during meetings in 2012 and 2013, and a testament to the work of our engagement staff under the leadership of Sally Costerton and Tarek Kamel. Another concrete example of our success is that the Outcome Document showed that the issue of Internet governance no longer evolved around the question of whether it should be multilateral or multistakeholder. The new document stated that the "Internet as a global facility includes multilateral, transparent, democratic and multi-stakeholder processes..." - an evolution from the 2005 Tunis Agenda which included "international management of the Internet" that was "multilateral, transparent and democratic."

Our hub offices in Singapore and Istanbul have grown from concepts to Global

Support Centers offering a wide range of services to our contracted parties and stakeholders in multiple languages and around the clock. Partnerships with organizations like Egypt's National Telecommunication Regulatory Authority for the DNS Entrepreneurship Center and the Korea Internet and Security Agency on an educational localization toolkit have extended our reach. Regional outreach strategies bring education and programming to meet local needs, as defined by the local community.

The New gTLD Program has met milestone after milestone in its full implementation under Akram's steady hand. The largest-ever expansion of the domain name system continued with more than half of the 1,277 potential new gTLD strings delegated at the end of FY15, and 995 registry agreements signed. Nearly all of the contention sets (when multiple applicants applied to operate the same new gTLD string) have been resolved, with 14 going to a last resort auction managed by ICANN. The community and staff worked together to develop a framework for mitigating name collisions for delegated top-level domain names that the Board approved in early FY15. A review of the Competition, Consumer Trust and Consumer Choice within the New gTLD Program is underway, following the publication of the first global consumer study on the domain name system in May 2015.

Nora Abusitta has created our first Development and Public Responsibility Department, focusing on projects, tools and collaborative efforts that broaden and support the multistakeholder model, such as the Fellowship and Newcomer Programs and NextGen@ICANN. With an objective of improving engagement with our stakeholders globally and regionally, the DPRD focuses on filling gaps in multistakeholder diversity as identified by stakeholders and the regional outreach strategies.

We've also taken many steps to ensure the organization's stability and strategic planning process. Under the leadership of Susanna Bennett, our new planning process cycle has a threefold approach encompassing a five-year strategic plan, a five-year operating plan and an annual operating plan and budget. The cycle culminates with achievement and progress reporting. The ICANN planning process is continuous and allows for an overlapping of its three components, along with validation of performance. Stakeholder consultation and input is critical and feeds into every aspect of the process. I'm most proud of the way we've built performance metrics into everything we do, and the performance data is published via online dashboards as well as through our Quarterly Stakeholder

Calls in support of accountability and transparency.

Ashwin Rangan has built a structured IT approach and hardened ICANN's operations through a thorough examination of ICANN's processes and systems. We've begun replacing our critical Finance, Procurement, Project Accounting and HR systems with a new, cloud-based enterprise resource planning platform that will take ICANN to a more mature plateau of IT-enabled services delivery. We (re)hired David Conrad as our Chief Technology Officer, and this year made a \$5 million investment in our core technical functions.

I can't say enough about the creative, thoughtful and intelligent team we've assembled at the global leader and regional levels. Here, I want to call out John Jeffrey for his wise counsel during my tenure. His years of experience at ICANN have helped our team to anchor our decisions within the organization's historical context and record. The skills and experience of our management team combined with their shared sense of purpose have brought ICANN to new levels of engagement and operational excellence. Any accomplishments achieved over the past few years are due to their individual and collective efforts.

### **Future Opportunities**

Today, ICANN has reached a new plane. We are more reflective of our global stakeholders. We have the leadership team, systems and discipline in place to demonstrate our operational excellence. We have shown the world that multistakeholder governance can work. The pieces are in place for sustained success, and to this end, I think it is important now to take a deep breath and absorb this growth and learning. Taking stock and reviewing our progress is natural for ICANN, with its many layers of reviews built into the Affirmation of Commitments and our bylaws. Now is the perfect opportunity for this pause and reflection.

Already, discussion of the New gTLD Program has turned from implementation of the current round to when and how ICANN will offer a next round. The groundwork for the review process is being laid now, as comments are being analyzed on the 200-page "Preliminary Issues Report on New gTLD Subsequent Procedures." Lessons learned since the opening of the application window in January 2012 have been many, and the success of future rounds of gTLD applications will be well served by our collective consideration here.

Also critical to our future success is the work of the Cross Community Working Group on Enhancing ICANN Accountability. As the new accountability mechanisms are finalized and put into place, it will be critical to ensure clarity between the Board, staff and community about how decisions will be made. New mechanisms should be effective and provide a higher level of visibility to all stakeholders, but we must be vigilant that these do not place onerous compliance burdens on the organization. ICANN should not become more bureaucratic in the quest for greater accountability. Moreover, we must stay accountable to the values and principles we've evolved since our creation in 1998, as we strive to keep ICANN well governed.

I urge you not to swing the pendulum from global engagement all the way to isolationism. With thoughtful re-examination, I hope that we will carefully pivot to a balanced posture given the trust we built on the global stage. We must maintain the benefits of globalization and the close connections to our stakeholders, while continuing to strengthen our operational capabilities and the quality of services to our community. This is particularly true within the larger world of Internet governance in which we are one small part. As issues such as intellectual property infringement or online privacy are addressed in other fora, ICANN should not lead but must remain engaged, and where necessary and appropriate, shape the discussion and debate and commit to be part of a solution in keeping with our values and mission. We cannot simply put our head in the sand and say that these issues are outside of the logical infrastructure layer in which we operate and thus not of our concern. Some solutions within the economic and societal layers of digital governance require distributed, innovative and collaborative issue-specific networks, of which the technical community depending on the issue sometimes must be a key part. We must remain part of the global conversations on digital governance, aware and ready to act when necessary.

For example, about six or seven months ago Allen Grogan led staff as they began working with the intellectual property community on a path toward voluntary mechanisms for addressing copyright infringement concerns with registries and registrars. In early February, these talks bore fruit as new gTLD registry Donuts announced its agreement with the Motion Picture Association of America (MPAA) through which Donuts will investigate cases of large-scale piracy on the domain names it operates. It is important for ICANN to fulfill its role as a participant in finding solutions to issues in the domain name sphere without being responsible for leading them.

The multistakeholder model of Internet governance is the strongest means for ensuring an open, secure and stable Internet. It brings to the table a diverse group of stakeholders - including governments, technical experts, civil society and businesses - who work toward consensus in policies that guide the operations of the domain name system. ICANN is in many ways the world's prototype for multistakeholderism. To that end, we should continue to demonstrate to the world how well this unusual model can work. It is not only our responsibility, but also our inevitability, for as Internet governance at the global level continues to evolve, we will not be hidden from view. Our actions, our successes and our failures will be in full view of the world. We must be proud of this, and strive to be that light of the world, that city on a hill that cannot be hidden. At the same time, we must resist the expansion of our remit beyond that envisioned in our creation.

### **Final Thoughts**

I mentioned my gratitude for your support and trust at the beginning of this letter. The opportunities for learning and growth began before I took the job - when I attended the USC Center of Public Diplomacy's Summer Institute, and never stopped for nearly four years. Your support and your trust in me as a steward of ICANN and the multistakeholder model have been unwavering, even when I made mistakes, no matter how well-intentioned.

The best we can hope for at any juncture is to leave a place better than it was when we arrived. I hope you believe that is the case with ICANN as I depart. I believe we have built a strong foundation for the future in bringing ICANN to the world. Thank you again.

Warm Regards,

A handwritten signature in black ink, appearing to read 'Fadi Chehadé', with a long horizontal line extending to the left.

Fadi Chehadé  
Your 6<sup>th</sup> President and CEO