



**Council of European National
Top-Level Domain Registries**

Report on

ICANN63



Barcelona
20-25 October 2018

Contents

Executive summary **3**

ccNSO meeting report **4**

Working Group updates and policy session	4
Working Group on Emoji	4
Cross Community Working Group (CCWG) on Auction Proceeds	4
Empowered Community Administration (ECA)	4
Update from PDP Retirement Group	5
Work Track 5 update	5
IANA Naming Function update	5
PTI update	5
CSC update	5
Root Zone Evolution Review Committee (RZERC)	5
IANA update	6
TLD-Ops update	6
ccTLD financial contributions	6
Joint ICANN Board – ccNSO session	7
ccTLD News session (highlights)	7
Outcomes of the .au registry operator tender process & new constitution	7
Between Brexit and a new .eu Regulation	8

GAC Meeting Report **9**

General Data Protection Regulation	9
EPDP and Unified Access Model	9
Further comments from the community on GDPR-related activities	10
Two-character codes at second level	11

Other sessions of interest **13**

High Level Government Meeting (HLGM)	13
Global Digital Agenda and Internet Policies	13
The Role of Opportunities for Governments in ICANN	13
The Internet Technological Evolution and the Role and Impact of ICANN	13
The Domain Abuse Activity Reporting System (DAAR)	14
CCWG IG Public Forum	14

Cross Community Sessions **15**

Community Session on Strategic Planning	15
High Interest Topic: Innovation in Top-Level Domains	15

In other news **17**

DK Hostmaster receives an award	17
GAC independent secretariat	17

Executive summary

As this was ICANN's Annual General meeting, it stretched over seven days and featured a very full agenda. Both the GAC and ccNSO held long, productive meetings and several high interest topics sessions were also organised, in addition to traditional fruitful networking and side-meeting discussions.

The ccNSO received updates from their working groups and review processes, and it seems that everything is well under control. There was a special mention for the excellent work of the CSC and PTI teams. The consistent SLA complaint service delivery demonstrates the success of the transition model. However, the initial budget discussions on ccTLD contributions to the ICANN budget showed that there is a reluctance from the community to close the 50% gap between the budgeted and received income.

GDPR and related initiatives within ICANN have continued to consume the GAC's attention since the previous ICANN meeting in Panama (ICANN62). In this report you will find the relevant highlights the GAC discussed during ICANN63 in relation to the Temporary Specification, the EPDP and the Unified Access Model, which are all relevant to ICANN's compliance work with GDPR. Other highlights include the GAC's relationship to the ICANN Board when it comes to two-character codes on the second level, and updates from the Work Track 5 on geographic names.

The record attendance at the High Level Government Meeting (HLGM) signals that governments are becoming increasingly interested in ICANN's policy work. Several participants underlined the need to gain more respect for the GAC's role in ensuring compliance with public policy.

Following extensive community consultations, the ICANN Board presented its five trends and related strategic priorities:

1. Security: stability of DNS and ICANN's ability to finance necessary investments
2. Governance: effectiveness of multistakeholder model
3. Technology: unique identifier system needs to evolve
4. Geopolitics: risk of internet fragmentation
5. Financials: low growth putting pressure on ICANN

ICANN will publish a full 5-year operational plan and budget in June 2019. The plan will show more prudence and selectiveness in spending.

The Board is launching a consultation on ICANN's governance model (as part of the strategic planning consultation). It will try to find a way to reach consensus – taking into account all views – and effectively reach conclusions and find solutions. This affirms a trend among many branches of the community in which people want to see solutions and stricter timelines for ICANN's many meandering PDPs.

This meeting was also an occasion to celebrate ICANN's 20th anniversary. The celebrations were remarkably low key, signalling a healthy view of the relative importance of this event and reflecting the budgetary austerity one could expect from an organisation under mild budget pressure.

After serving the ICANN community for 9 years as an ICANN Board member, Mike Silber ended his third term as a ccNSO-appointed Board Member. A heartfelt "thank you" from the CENTR community is in order. His parting advice was to "be kind to each other. RFC761 says to be conservative in what you do, be liberal in what you accept from others." Noted Mike!

CENTR Board Member Danko Jevtović and Nigel Roberts (.gg/.je) took their seats on the ICANN Board. Good luck to both!

ccNSO meeting report

Working Group updates and policy session

Working Group on Emoji

The study group provided an update of its activities since it was established. Its purpose is to provide the ccTLD community and the Council with a comprehensive overview of the issues associated with the use of emoji as second-level domains, and the current practice of ccTLD managers to allow emoji as second-level domains. If the study group considers this appropriate, it may advise on a course of further actions, if any. The group intends to deliver its final report by ICANN64.

Relevance for ccTLDs

SSAC has already strongly discouraged the use of emoji in domain names. They are considered to function inconsistently and to run into universal access issues.

Cross Community Working Group (CCWG) on Auction Proceeds

The CCWG provided an overview of their initial report. They have developed the structure that will allow ICANN to deal with the money that came in as a result of the auctions for contested new gTLDs (currently > USD \$200 million).

They are looking into four options (ranging from a department within ICANN to an independent foundation). The administration costs are estimated at 3-5% of the fund. In some scenarios, this might be reduced to 1-2%.

- Option 1: A new ICANN Proceeds Allocation Department as part of ICANN Org
- Option 2: New ICANN allocation department which would work in collaboration with existing charitable organisations
- Option 3: New structure: ICANN foundation
- Option 4: Established entities are used, but ICANN would organise oversight process

Some concerns were expressed regarding the comments from the ICANN CFO to use the auction proceeds as a way to fill the gap in the ICANN reserve fund. This could amount to USD \$40 million. The CCWG believes this discussion is out of scope.

Since this is likely going to be a one-off exercise, the foundation would have to be wound down in a few years from now. These costs could be avoided in some of the scenarios.

Jordan Carter expressed the concern shared by some of a scenario where ICANN will have to deal with handing out hundreds of millions of dollars. This would attract a different crowd to ICANN meetings and take the attention away from the core tasks. Speaking from .nz' experience of dealing with a much smaller amount (USD \$500.000), he suggested to use these funds as part of the ICANN budget.

Relevance for ccTLDs

The sheer amount of these funds could have a significant impact on the balance between ICANN's stakeholder groups. It remains to be seen as to how they will be put to use. A proper framework to allocate these funds is crucial to avoid issues at a later stage.

Empowered Community Administration (ECA)

This is the power tool that allows the ICANN Community to confirm or reject Board actions. Formally exercised through a Rejection Action Petition Submission, the tool has been tested a few times and seems to function as designed. There have been no rejections so far.

Relevance for ccTLDs

It's reassuring to see that the ECA functions well. Its mere existence will probably make sure that it will never be needed.

Update from PDP Retirement Group

Significant progress has been made on the following issues:

1. Bylaws issue on ccNSO membership: does the membership of a ccTLD in retirement end by definition? The group decided that this is a problem, but that it is out of the scope of the WG. Therefore, it is down to the ccNSO Council to solve this issue.
2. Does this policy apply to all ccTLDs? The ccNSO should develop this policy.
3. When does a retirement process start? The consensus is that the removal of the country code from the list of country names in ISO 3166-1 would be the trigger. The group did not discuss the issue of exceptionally reserved names.

The WG is currently discussing the process to get from trigger event to removal from the root zone: once a country code is removed from the ISO 3166-1 list, the ccTLD will be removed from the root zone. This should happen between 5-10 years after the trigger event.

Relevance for ccTLDs

This group deals with an existential question for ccTLDs: when is a ccTLD no longer a country code, but just a set of two characters? The answer to this question does not only affect those that will be retired, but also all ccTLDs, as it will affect consistency in the name space.

Work Track 5 update

The initial report from Work Tracks 1-4 of the New gTLD Subsequent Procedures PDP was [published](#) in July this year. ccTLD Regional Organisations ([including CENTR](#)) commented on the proposal to have two-character (1 letter – 1 digit) TLDs. An overwhelming majority of comments supported the view that these should not be allowed.

The WT5 (Geographic Names at the Top-Level) team is now looking for volunteers to draft a summary of the report.

From the perspective of the ccNSO, the results of the report are satisfactory, though comments are still welcome. There were comments from 27 ccTLDs on the report and the Chair expressed a hope that there

would be a similar amount of input for the report of WT5. The WT5 report will be published at the end of November, after which there will be a 40-day comment period.

Relevance for ccTLDs

This will also have an impact on the consistency in the name space. Two-character codes should be reserved for ccTLDs. It will be important to keep on contributing to the comment period planned for later this year.

IANA Naming Function update

PTI update

Akram Attalah has left ICANN. As he was one of the three ICANN appointed directors, ICANN will appoint a new director.

The budget FY20 will be integrated into the ICANN budget, but with a separate consultation period, and its adoption is expected to take place in early December. The strategic and operational plan will take ICANN's plans into account, but they remain two separate strategies.

CSC update

The PTI performance score ranges from 95.3% to 100%. Does this mean that the metrics need to be changed? PTI performance is extremely good – some minor metrics were missed, but there were no customer service issues nor operational problems.

The CSC has almost finished developing procedures to support its work, which includes revising the SLAs, which will be the last big piece of that review. The whole process has worked extremely well and proves that the essential goal of the transition (multistakeholder overview of the IANA functions) has been achieved.

Root Zone Evolution Review Committee (RZERC)

The role of this group is to review and provide input regarding the proposed architectural and operational changes to the root zone and, as determined necessary by the RZERC, to suggest changes for

consideration by the ICANN Board.

In its update, the RZERC raised two points:

- Root Zone KSK Rollover: [no issues](#)
- Root Zone Management Evolution Study: on track

IANA update

Customer feedback was mainly received through surveys, which had about 10% response rate from ccTLDs. They are planning to move to a model where the survey is sent right after the service was delivered. In the future, this yearly survey will be reduced to strategic questions. The [Root Zone Management software](#) is mostly developed and is ready to roll out.

Relevance for ccTLDs

It is likely that few people underestimate the importance of this work. The fact that all is well is a testimony to the work of the people at PTI, its Board and its Customer Service Committee. It should not be interpreted as a signal that their work should receive any less attention than in the quarters following the transition.

TLD-Ops update

TLD-Ops is the global technical incident response community for and by ccTLDs, open to all ccTLDs. There are 380 people on the mailing list and the goal is to collaboratively detect and mitigate incidents that may affect the operational security and stability of ccTLD services and of the wider internet. It also aims to further extend members' existing incident response structures, processes and tools.

In their most recent workshop, the group identified the need to develop a playbook with basic concepts of Disaster Recovery/Business Continuity and Business Impact Assessment processes.

Relevance for ccTLDs

All ccTLDs from the European region have subscribed to the list. Those from other regions that are not on the list yet are encouraged to sign up immediately.

ccTLD financial contributions

The 2013 agreement on the ccNSO financial contribution framework included the obligation to have a review after 5 years. This is an opportunity to look at what has changed since then and how that financial contribution has evolved.

- 1999-2003: ccTLD contribution to make up 35% of ICANN's budget
- 2007: voluntary self-selected model
- 2010: former ICANN CEO suggested that ccTLD contributions needed to increase to USD \$10-12 million
- 2010: working group formed
- 2013: guidelines adopted based on "value exchange" model, aiming to reach USD \$3.5 million goal

There are three Conceptual Value Categories: specific (direct support ccTLDs), shared (e.g. IANA) and global benefits (promoting multistakeholder model), bringing the total value to USD \$3.5 million. This amount was to be matched by a voluntary model based on 7 suggested fee bands to be based on domains under management (ranging from USD \$500 to USD \$225,000).

Since 2014, ccTLDs have been consistently contributing about 50% of that model (USD \$1.7 million, which represents a shortfall of USD \$1.8 million). Discussions have sometimes proved difficult because of the invoicing process and recording of actual contributions. But even with that margin of error, there is still a significant gap.

ICANN can only send an invoice when the ccTLD registry has confirmed over email that it expects an invoice. The invoicing process will be reviewed, and new email communications will be sent out in October-November.

The accountability framework that some ccTLDs have with ICANN has not been revised since the guidelines came out. Some of these frameworks do provide exact amounts and therefore do not allow for the fee bands from the guidelines to be used.

What – if anything – does the ccNSO want to do about this?

Suggestions included: attendance fees for ICANN meetings, adding more fee bands, paying for premium service levels, justification of value received rather

than costs incurred, rejecting travel sponsorship from those who in principle do not want to contribute, etc.

A recurring concern from some ccTLDs that have not followed the suggested fee bands is that it is unclear how the contributions relate to the value ccTLDs receive from these budgets.

Relevance for ccTLDs

Those that sat through the discussions 5 years ago know how difficult it is to come to an agreement on this. Expect more discussions at ICANN and be ready to share what you believe is the value of ICANN's work in light of the costs assigned to the ccTLD community.

Joint ICANN Board – ccNSO session

In the context of its FY19 Priorities, the Board will develop a [consultation paper](#) on “how the ICANN’s multistakeholder model should evolve to balance the need for increased inclusivity, transparency, and accountability with the need for effectiveness, timely delivery, and the efficient use of ICANN resources”. This paper will be published by May-June of next year. The Board is seeking input from the community, but has had no answer so far. The consultation paper is likely to raise more questions than it will provide answers. One thing already seems clear: ICANN’s future processes need timelines.

The strategic plan will be presented in time for the Kobe meeting. For the first time, this strategic plan is going to be backed by a five-year implementation plan.

Mike Silber called all ccTLDs to make their voice heard as cybersecurity, the evolution of identifiers and geopolitics are crucial areas for ccTLDs to get involved in.

Board member Matthew Shears underlined that internet policy has always been an integral part of ICANN’s mission. ICANN needs a greater awareness of policy initiatives that affect the industry. Monitoring mechanisms need to be put in place. There is also a need to educate the general public about the DNS, ICANN and the multistakeholder model.

Mike Silber suggested building a coordination mechanism, rather than spending resources in parallel or trying to reach a consensus that would

then be represented by ICANN staff.

A transition had been planned, from the current CCWG on Internet Governance to a purpose-built organisation that is doing substantial coordination and/or monitoring, as well as building awareness across communities.

Relevance for ccTLDs

ICANN’s efforts to make the current multistakeholder model more efficient will need to be followed closely. This could have an impact on the ccNSO’s already overloaded volunteer model.

ccTLD News session (highlights)

Outcomes of the .au registry operator tender process & new constitution

Cameron Boardman (.au) presented auDA’s registry transformation project and its governance reform. auDA had to evaluate if their registry service contract was still fit for purpose and financially sustainable, which is why they launched a tender process. Outcomes of the registry service provider change: 10% drop in wholesale prices for registrars, registry data to remain in Australia, DNS services in all Australian capital cities, proactive security monitoring (daily inspection of new names), extensive data collection for advanced data analytics to move to proactive compliance management and development of business information for registrars, focus on improved security and performance.

Regarding the governance reform, Cameron explained that the Australian government review of October 2017 produced 29 recommendations that would entail completely reforming auDA’s constitutional framework. At the 6-month check point, the government acknowledged that “auDA demonstrates significant progress in implementing reforms”. auDA’s new constitution was adopted by members on 27 September 2018.

Between Brexit and a new .eu Regulation

Giovanni Seppia (.eu) gave an update on the impact of Brexit on .eu. He reminded participants that the European Commission (EC) published a notice in March 2018 announcing that after Brexit, UK residents would no longer be eligible to register or renew .eu domain names. The EC then sent a communication to EURid in April 2018 instructing the registry and registrars that they could no longer process requests for .eu registrations from UK residents as from 30 March 2019 if there is no withdrawal agreement, or as from 1 January 2021 if there is. So far, there has been a 15% decrease in .eu domain names in the UK since this announcement. Up-to-date information can be found on [EURid's Brexit info page](#).

Giovanni also gave an update on the REFIT of the .eu regulation(s). In April 2018, the EC published a draft proposal for the new regulation. The European Council should have approved the text (including amendments) this week and the European Parliament is also in process of approving the text. Next step: the amended versions of the Council and EP will go into trilogue. Once consolidated, it will be voted on again by the three institutions.

Relevance for ccTLDs

The new regulation might be seen by national governments as a model to follow. There is also a link in the new regulation to Brexit, as it proposes a citizenship criterion, which is partly inconsistent with the Brexit requirements of stripping UK residents of their .eu domains.

GAC Meeting Report

Link to the GAC [ICANN63 Communiqué](#)

General Data Protection Regulation

The Expedited Policy Development Process (EPDP) led by the GNSO Council is ongoing, with the goal of replacing the [Temporary Specification for gTLD Registration Data](#) (hereinafter Temp Spec) with an expiry date of May 2019. The Temp Spec was adopted by the ICANN Board on 17 May to address the legislative changes the GDPR introduced for the public availability of WHOIS, while the unprecedented EPDP was set up to address ICANN's contracted parties' compliance with GDPR in the long term.

Based on the previous work of the GAC, the Temp Spec has not incorporated some of the crucial advice the GAC had given to the ICANN Board when it comes to the availability of WHOIS. In particular, the Board rejected the GAC's advice to distinguish between the data of natural persons and legal entities. As a consequence, the Temp Spec does not require the contracted parties to distinguish between natural and legal persons when processing data of domain name holders. Another GAC advice that was not accepted by the Board is to continue granting access to WHOIS, including non-public data, for users with legitimate purpose.

Due to the fact that the GAC advice on the aforementioned points was not accepted by the Board, the EPDP does not necessarily have to address these points when developing the permanent solution for GDPR compliance. The GAC advice that was rejected by the ICANN Board is deferred to the [Annex: Important Issues for Further Community Action](#).

EPDP and Unified Access Model

As a result of the Temp Spec, contracted parties continue to collect relevant data on domain name holders. However, this data is redacted in the public WHOIS (so-called "thin" data that does not contain any personal information). This has created implications for WHOIS data access by law enforcement, consumer protection agencies, cybersecurity professionals, and intellectual property rightsholders.

In parallel with the EPDP, the ICANN organisation has been conducting work on the Draft Framework for a Possible Unified Access Model for Continued Access to Full WHOIS Data (hereinafter Unified Access Model). The [latest draft](#) has been open for public comments since 20 August 2018. The proposal explores whether it is possible to develop an automated and unified approach across all gTLD registrars and registry operators in a manner consistent with the GDPR. In addition, the ICANN organisation is also considering the possibility to shift liability from contracted parties to the ICANN community. It is intended to be complimentary to the work of the EPDP Team.

The GAC continues to stress the importance of access to non-public WHOIS data for public policy, in particular with respect to crime investigation and consumer protection. Several states have expressed the need to prioritise the work on the Unified Access Model as soon as possible, including during the High Level Governmental Meeting (HLGM) sessions, and without any further postponement. The EPDP Team has confirmed that the question of access to the non-publicly available data for legitimate purposes (i.e. Unified Access Model) is not being addressed in the on-going EPDP process. Hence, the Unified Access Model is not part of the current EPDP.

The EPDP Team is currently preparing to publish an initial report of its ongoing work. The publication is expected in November. The EPDP Team is expected to reach an agreement on the set of lawful purposes for processing domain registration data (WHOIS) to proceed with the rest of the work. While the report will not address the Unified Access Model, it might propose clarification to the requirement of reasonable access.

During the joint meeting between the ICANN Board and the GAC, ICANN CEO Göran Marby stated that the community has to and will make a decision on the Unified Access Model. The interpretation of the GDPR must be done by the data protection authorities and ICANN is not part of that decision-making. The GDPR is specific with regards to the role of data controllers and their obligations.

Relevance for ccTLDs: The country code space as a role model?

European ccTLDs were already subject to national privacy laws prior to the GDPR, and many of them have had restricted access to the public WHOIS for years. During a Cross-Community Session on GDPR, Nominet gave an overview of how GDPR compliance and WHOIS issues are resolved in the case of .uk. Nick Wenban-Smith highlighted the fact that the solution to address the GDPR should have been proposed much earlier, and in practice contracted parties should already have resolved these issues, including the question of access, as the law is already in force. When it comes to the access to non-public WHOIS data (incl. for law enforcement purposes), 96 % of these access requests are approved in the .uk domain zone, provided that these are detailed enough. Nominet has also implemented a global access policy and does not differentiate between national and foreign residents. National law enforcement access requests are also approved without the need to file individual access requests. The examples from the .uk registry were echoed in the consecutive conclusion round in the GAC, where it was highlighted that the question of the Unified Access Model is of utmost importance. Consequently, national GDPR implementations from the country code space can have a remarkable impact on the way discussions in the EPDP process and the Unified Access Model will go.

Similarly, in the joint session with the ccNSO, Peter Van Roste presented the results of the CENTR survey on the [WHOIS status and the impact of the GDPR on European ccTLDs](#). The presentation was followed by further discussions on the issue of differentiating between publishing data from individuals and legal entities, which several ccTLDs have already implemented at national level, as well as in regard to the law enforcement access to bulk data. Both points are of high interest to the GAC. These discussions were concluded by reiterating the fact that the relevant policies regarding GDPR compliance and access to WHOIS are subject to different national rules, as well as the relevant advice from the local data protection authorities who are fine-tuning

European national registries' policies. When it comes to law enforcement's access to bulk data, the proportionality criteria between these access requests and the number of committed crimes should be closely monitored.

Further comments from the community on GDPR-related activities

- The Public Safety Working Group presented the results from the survey on the impact of the GDPR, changes in the WHOIS and the Temporary Specification on investigative work amongst law enforcement agencies. The results of the 55 respondents from a variety of countries, from Australia to Zambia, showed that there was a significant impact on investigative work post-GDPR. The majority of the respondents concluded that the post-GDPR WHOIS does not meet investigative needs and that there are no adequate alternatives to the current WHOIS system. In addition, many respondents identified a lack of knowledge about how to request access to the information that is now publicly unavailable. The lack of a centralised method in obtaining this information has also been identified as a serious concern. In practice, these changes to WHOIS result in delays in investigations that are having a real-world impact on victims of online abuse.
- Cristina Monti (European Commission DG JUST) highlighted the fact that the GDPR builds on rules that have existed for a long time. Personal data needs to be dealt with in a local, transparent and accountable way. The GDPR has brought about much more uniformity on questions of data protection and privacy as, prior to the regulation, interested parties needed to deal with numerous rules across many different jurisdictions.
- Milton Mueller (Georgia Institute of Technology, School of Public Policy) reasoned that the GDPR had contributed to an increased accuracy of WHOIS data, as indiscriminate access to WHOIS data prior to the GDPR provided more incentive for registrants to hide their data or disclose wrong information.
- Dirk Krischenowski (.berlin) gave a brief overview of the results of a survey that was run among European gTLDs. The survey results showed that the amount of data access requests post-GDPR

among 39 European gTLDs is very small and does not justify the need for the Unified Access Model.

- The United States expressed their concern over referring to the GDPR as a global standard. Becky Burr from Neustar highlighted the fact that consumers in the US have already been affected by the GDPR, and privacy issues in relation to the European law have been widely covered in the media. Companies, in return, respond to the behaviour of consumers.
- During the HLG session on the GDPR, the European Commission reiterated that it is possible to collect and process registrants' data whilst fully complying with the GDPR. There are no provisions in the GDPR which state that processing personal data for legitimate reasons must stop. It is simply about identifying the legitimate purpose and balancing different interests whilst respecting fundamental rights.

GAC Communiqué: the GAC seeks to prioritise the work on the Unified Access Model. The GAC thinks it is useful for ICANN to provide a dedicated platform for the collection of evidence on the impact of the Temp Spec, as it has been presented with the evidence of how the Temp Spec has influenced WHOIS. The GAC reiterated the advice given in Panama to take all steps necessary to ensure the development and implementation of a unified access model that addresses accreditation, authentication, access and accountability, and applies to all contracted parties.

Two-character codes at second level

Some GAC members remain unhappy over the ICANN Board's decision to release two-character codes as second-level domain names in new gTLDs. In Panama, the GAC's consensus [advice](#) to the ICANN Board on the issue was to work as soon as possible with those GAC members who have expressed serious concerns with respect to the release of their two-character country/territory codes at the second level. This is in order to establish an effective mechanism to resolve their concerns in a satisfactory manner.

The GAC is concerned that the ICANN Board's [Resolution](#) of 8 November 2016 abolished the then-prevailing practice of notifying governments of plans for the use of their two-letter codes, and to seek the agreement of governments when releasing two-letter country codes at the second level. By abolishing this

practice, some GAC members are concerned over their inability to participate in the authorisation process of releasing their country codes at the second level.

The adoption of the resolution in 2016 was also done without following the proper procedure: the decision was adopted before the GAC advice had been responded to and without further consultation with the GAC. In addition, the Board (mis)understood the GAC advice by only taking into account the measures proposed to avoid confusion with corresponding country codes.

While not all GAC members share some countries' concerns over releasing two-character codes at the second level, the GAC seems to be aligned on the procedural issue of the ICANN Board making a decision without properly responding to conflicting GAC advice. Brazil, Portugal and France raised their concerns over establishing a dangerous precedent if the Board violates the procedure of decision-making: the ICANN Board can adopt actions without agreeing with the GAC, but it needs to respond to the GAC advice first, justifying their decision.

China and Iran observed that the issue of two-character codes at the second level relates to sovereignty and public interest.

During an informal meeting with the ICANN Board, Chris Disspain challenged the GAC members on the legal basis for two-character codes and countries' right to use them. Brazil found the notion for a legal basis of a country code to be irrelevant to the discussions on the ICANN Board ignoring the procedure. Furthermore, the use of a country code does not relate to the policies established by ICANN, as ccTLDs are not obliged to abide by them. The United States acknowledged that while there is no specific legal basis for a country code, there are serious interests in these codes, and so they welcomed the ICANN Board's adopted measures to at least avoid confusion with corresponding country codes.

GAC Communiqué: The GAC consensus advice to the Board is to explain in writing how and why the Board considers it is implementing GAC advice on the release of country codes at second level and to explain in writing whether its resolution of 8 November 2016 and its change from the pre-existing release process is compatible with the GAC advice

on this topic, or whether it constitutes a rejection of the GAC advice. The GAC advises the Board to set out its explanation in writing by 31 December 2018. In addition, the GAC asks the ICANN CEO to fully engage with the concerned governments in order to fully address their concerns.

Relevance for ccTLDs

Some countries remain possessive over the use of their country codes at the second level. The informal discussion with the Board, along with the question of a legal basis for a two-character code, illustrated the need for governments to justify the existence of a country code with countries' sovereignty or any other 'inherent' right attached to the territory. The issue also remains widely procedural, as there has been no sufficient response from the ICANN Board yet on why the GAC consensus advice was rejected without any further explanation.

Other sessions of interest

High Level Government Meeting (HLGM)

Once every two years, one of the member countries of the GAC hosts an HLGM in conjunction with an ICANN public meeting and in addition to the usual GAC meeting. The Spanish government hosted the 4th HLGM in Barcelona. The record attendance (124 delegations) shows the increased attention for the work of ICANN and the importance of the GAC. A few highlights of the HLGM are provided below.

Global Digital Agenda and Internet Policies

During this session, government representatives discussed various internet policies and initiatives that have been developed to bridge the digital divide. In addition to sharing several success stories on programme development, policies and digital priorities at local level (infrastructure development, skills development, innovation, cybersecurity, data protection and privacy, etc.), all representatives praised the multistakeholder model as an essential tool to achieve the goal of an affordable and inclusive internet connectivity in cooperation with governments. Many also highlighted the importance of the 2030 Sustainable Development Goals, as well as the importance of ICANN's critical role in regional capacity-building.

The Role of Opportunities for Governments in ICANN – Post IANA Transition

During this session, governments called for reinforcing the ICANN model, but at the same time requested more respect for government-driven public policy. The speakers pointed out that the duty of governments is to protect public interest, even when this conflicts with the interests of private companies. An interesting point raised is that there is no multistakeholder model, but that the ICANN community has a toolbox with different mechanisms. Equal footing does not mean that all parties have the same roles, but that they have the same access to decision making. ICANN therefore needs to rethink the application of the multistakeholder model. Lots of external factors are affecting the discussions

and these are not controlled by the stakeholders. Therefore, ICANN needs to look at other mechanisms that might be useful when taking internet governance issues forward. Brazil reminded the audience that there is an “unequivocal acceptance that the GAC’s advisory role is not really advisory when it comes to developing or identifying public policy. Governments have the right and the responsibility to identify public policy for the internet.”

The Internet Technological Evolution and the Role and Impact of ICANN

One of the panellists, Tripti Sinha (RSSAC, University of Maryland) gave an overview of the possible technological evolution of the internet, including the application of blockchain technology to the DNS. Big data, machine learning and AI are already reshaping the internet. In the future we will see a highly complex and intelligent internet, with quantum computing becoming the next potential buzzword. Together with the evolution of the internet, both ICANN and other relevant stakeholders would also need to adapt to the changes. The European Commission highlighted the goal for a next generation internet to be human-centric, where users are in control of their environment, and more inclusive (for example multilingual). The GAC should also reflect on how policy can shape technological evolution. Latvia stressed that technological development should primarily serve the needs of citizens. According to the Latvian representative, ccTLDs will continue to play a crucial role for local internet communities by providing services in local languages. Luxembourg expressed its concern over the blockchain naming system as an identifier service, as it may hamper the public interest duty of governments to combat crime or protect consumers. Several governmental representatives stated that ICANN should continue its role as the guardian of an open and reliable internet. Katrina Sataki (NIC.LV) stressed that ccTLDs are the stabilising force of the internet. As long as the local internet community needs country codes, ccTLDs will be there to serve.

The Domain Abuse Activity Reporting System (DAAR)

During this session, John Crain (ICANN) presented the Domain Abuse Activity Reporting system, which serves to report on domain name registration and abuse data across TLD registries and registrars. The DAAR system studies all gTLD registries and registrars for which ICANN can collect zone and registration data, employs a large set of reputation feeds, accommodates historical studies, studies multiple threats (phishing, botnet, malware, spam), takes a scientific approach (transparent, reproducible) and only looks at resolving domains. Its [methodology](#) is publicly available. The purpose of DAAR is to provide data to support community, academic, or sponsored research and analysis for informed policy consideration. As of 2019, ICANN will be publishing monthly reports from the DAAR system. The first report will be published on 1 December.

CCWG IG Public Forum

This session was designed to give an overview of external internet policy issues which could potentially affect ICANN. Farzaneh Badii (Internet Governance Project) highlighted the fact that IGF2018 will focus on WHOIS and GDPR, how the GDPR affects access to security research, and the privacy of domain name registrants. In addition, IGF2018 will host a session on alternatives to and enhancements of the DNS. Wolfgang Kleinwachter, one of the 27 Commissioners in the Global Commission on the Stability of Cyberspace, updated the audience on the plan to present the Paris Charter on Trust and Security during IGF2018. Simultaneously with the IGF, the ITU will host its plenipotentiary PP-2018 in Dubai. Nigel Hickson (ICANN) alerted the audience of the ITU resolution proposals that touch on ICANN remits. The ITU also considers proposals that touch upon ccTLDs. There was a regional proposal that challenges the governance and structure of the GAC and raises concerns on the way gTLDs are allocated within ICANN. Nevertheless, it is worth noting that the ITU Resolutions are non-binding. Mary Uduma (NiRA) stressed that African countries are concerned over the management of ccTLDs. She stated that there is a need for African ccTLDs to be managed by entities within their respective countries. Views diverge on

whether ccTLDs should be managed by governmental agencies. Bill Drake (University of Zurich) gave an overview of initiatives within the WTO that are relevant to the DNS industry. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) makes a direct reference to ICANN as a source of authority, which is remarkable for a legally-binding international treaty like the CPTPP. Another interesting point concerns a direct [reference](#) to ccTLDs in the CPTPP: the treaty requires ccTLD operators to provide online public access to WHOIS.

Cross Community Sessions

Community Session on Strategic Planning

The Board members and ICANN staff presented the [five industry trends and ICANN's related strategic priorities](#) and solicited input from the community.

Security: increasing cybersecurity risks, increasing threats to the root server system, DNS abuse.

Governance: the efficiency of ICANN's multistakeholder model continues to be questioned, in particular the necessity to fulfil the transparency and accountability requirements, the need to clarify roles of the Board, the community and the ICANN organisation.

Technology: alternate roots, alternative infrastructures increasingly threatening the global interoperability of the internet, external technology advancement (such as blockchain, IoT, rise of AI, etc.) creating both threats and opportunities.

It was flagged that this issue could be looked at from a more general perspective. The flat growth of the DNS industry is not (only) caused by alternative technologies, but is mainly due to alternative identifiers such as social media profiles. It was suggested that this strategic goal should be reviewed taking this into account.

Geopolitics: more legislation and regulation could impact the internet's unique identifier system and increasing global reliance on the internet is triggering more regulatory attention. There are increased geopolitical risks of internet fragmentation.

As a result, ICANN will need to monitor these trends more closely and set up early warnings systems. It should be noted that ICANN has always (rightfully) stayed clear of active lobbying and advocacy. This type of active engagement would need support from the community and pre-agreed talking points. The ICANN organisation cannot represent views of specific parts of its community.

Financials: stabilizing funding for the foreseeable future, continued and growing responsiveness to changing industry economics.

Relevance for ccTLDs

the first four priorities are particularly relevant for ccTLDs. As identified in discussions within the CENTR community, cybersecurity (priority 1) and the impact of regulations (priority 4) are already on ccTLDs' priority lists. It will however be important to monitor how ICANN deals with awareness and advocacy. As discussed in other sessions, the ICANN staff will need to be very careful about remaining within their mandate and sticking to policy agreed by the community.

High Interest Topic: Innovation in Top-Level Domains

[\(All slides\)](#)

The purpose of this session was to showcase new or existing TLDs that provide new products and choices, and to encourage innovation in the DNS space, in particular considering this might be one of the policy goals of the next round of the new gTLD programme. Attendants heard about case studies of new business models from the following organisations/TLDs.

.ART: art records in WHOIS

The material value of art objects is based on the information behind it; can the DNS be used to share that information? A unique domain name for each art object provides a form of provenance and chain of custody, which also allows for unlimited content in DNS records. Based on WHOIS, .ART created a WHATIS, adding seven additional data fields (based on recognised standards). This additional DNS record can be used to showcase information in an app, in collaboration with museums, which boosts their market potential.

MMX: blockchain domains

The wider market for digital identifiers currently includes the WWW, IoT and blockchain. Ethereum already includes 180 million identifiers. Blockchain is still tech-heavy but will become more accessible in the future. .lux is the first dedicated TLD to serve as a digital identifier on two different platforms; it uses one identifier and two protocols (using domain.lux)

to identify hexadecimal identifiers in Ethereum). MMX is working with its existing distribution channels to promote this service.

Google: .app/.page TLD level HSTS Preloading

Google explained the difference between the HTTP and HTTPS protocols. HSTS preloading can be done at registry level, which ensures that all domains in a TLD are HTTPS (.app and .page TLDs are preloaded). Google worked with its channel to ensure SSL certificates were included in the registration processes of these TLDs. For more information about HSTS preloading: hstspreload.org.

Amazon: dot Bot ...working through the process

Each Amazon TLD has a separate business model. .bot is a space for chatbots (voice and text). The first step was the validation of individuals who had operational chatbots. The channel did not want to cooperate at first, so pre-validation had to be done at registry level. The process had to be released at different levels when in beta phase. They had to work a lot on building the community, which takes time, and can give the impression there is little innovation in the (new) TLD space.

Neustar: .brand TLDs

Neustar shared its learnings and innovations on .brand TLDs. In the first round, there were 588 .brand applications (40% were from Fortune 500 companies). This included defensive applications, and most had no clear marketing strategies in place at that time. There are still 542 .brand TLDs in operation now (totalling 15,000 domain registrations). Neustar created [makeway.world](https://www.makeway.world) to showcase usage types (most success stories are European-based). 21 .brands have fully transitioned so far (first one: home.barclays). Some companies use it for micro-sites (oui.snfc), vanity URLs (careers.ford redirect), social media (link shortener, such as go.zara/stripedshirt), email (@mail.canon), locality (berlin.audi), HR (annett-weigel.dvag) and more.

.CLUB: TLDs / marketing

.club's innovation is in the form of marketing and helping registrar channel and registries monetise their investment (encouraging TLDs to be seen as a brand, not just a commodity). For .CLUB, this was done through emphasising global reach, celebrity tie-ins at launch and initial periods (50inda.club), approaching verticals outside the industry (comprehensive segmentation profiling) and collaborating with other registries (.club, .bar, .beer, .vodka, etc.). Premium sales innovation: monthly subscriptions (names.club), which allows registrants to purchase premium domains at a more affordable price (benefits registrars that can sell more premium domains).

Relevance for ccTLDs

In general, these examples show that there is innovation in the DNS. Some of these innovations might be relevant for the ccTLD space.

In other news

DK Hostmaster receives an award

On the sidelines of the ICANN meeting, the Alliance for Safe Online Pharmacies in the EU (ASOP EU) awarded DK Hostmaster for its work in creating a safer online e-commerce space. The .dk CEO Jakob Bring Truelsen explained that the key to success for the Danish approach was their improved data quality and accuracy processes. The Danish national e-ID solution was an essential element in the process.

He also underlined that this was a solution that fitted the Danish legal framework and was in line with the expectations from the local Danish internet community. It is community-driven within a specific legal framework. He noted that this solution would not necessarily fit all TLDs.

Relevance for ccTLDs

It is good to see that the industry's efforts to improve online security are recognised. Tailor-made solutions that respect the local legal environment are key.

neither sustainable nor predictable. The services are provided under a contract with ICANN. The GAC Secretariat Funding Association (GSFA) is currently managed by Switzerland. There are two issues: one with funding and one with the mechanism. There have been donations from 18 GAC members for the last 3 years (representing around 10% of the GAC membership), but ACIG has decided to stop providing the service. The GSFA therefore decided to commit to the payment of the services delivered for 2018, but has stated that as of 2019 its continuity could not be guaranteed and that as a result, the independent secretariat would not be continued. The GAC has established a task force to look into alternatives, and the ICANN organisation has pointed out that it currently has no bandwidth to take on this extra work.

Relevance for ccTLDs

Like any other ICANN constituency, ccTLDs benefit from an efficient GAC. It is therefore worrying to see that the independent secretariat function will be discontinued.

GAC independent secretariat

The GAC currently receives two types of support: one from ICANN staff and one from the independent secretariat provided by ACIG (which used to be 3.5 full-time employees and is now only 1 full-time employee) since 2013. This independent secretariat provided the GAC with summaries and analyses of the huge volumes of documentation and was funded by Brazil, Norway and the Netherlands. More GAC members have joined since 2013, but the model is

ICANN64 will be held on 9-14 March 2019 in Kobe, Japan.



CENTR is the association of European country code top-level domain (ccTLD) registries, such as .de for Germany or .si for Slovenia. CENTR currently counts 55 full and 9 associate members – together, they are responsible for over 80% of all registered domain names worldwide. The objectives of CENTR are to promote and participate in the development of high standards and best practices among ccTLD registries.

Rate this CENTR Report on ICANN63

(Thank you for your feedback!)



Notice: this report has been authored by CENTR. Reproduction of the texts of this report is authorised provided the source is acknowledged.

CENTR vzw/asbl
Belliardstraat 20 (6th floor)
1040 Brussels, Belgium
Tel: +32 2 627 5550
Fax: +32 2 627 5559
secretariat@centr.org
www.centr.org



To keep up-to-date with CENTR activities and reports,
follow us on Twitter, Facebook or LinkedIn