



ICANN Strategic Plan 2003-04 to 2006-07

Prepared by ICANN Staff for the President and CEO
November 2004

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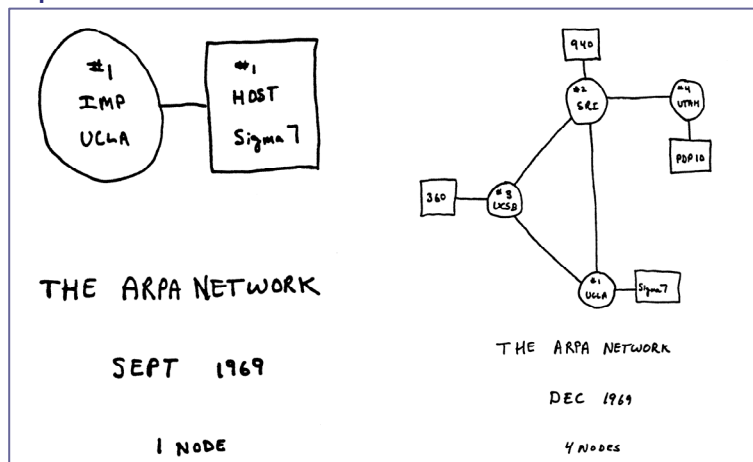
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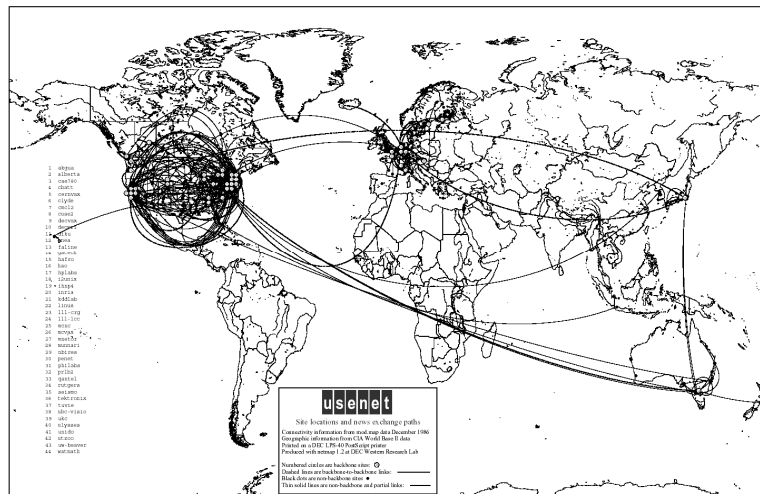
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The Evolution of the Internet

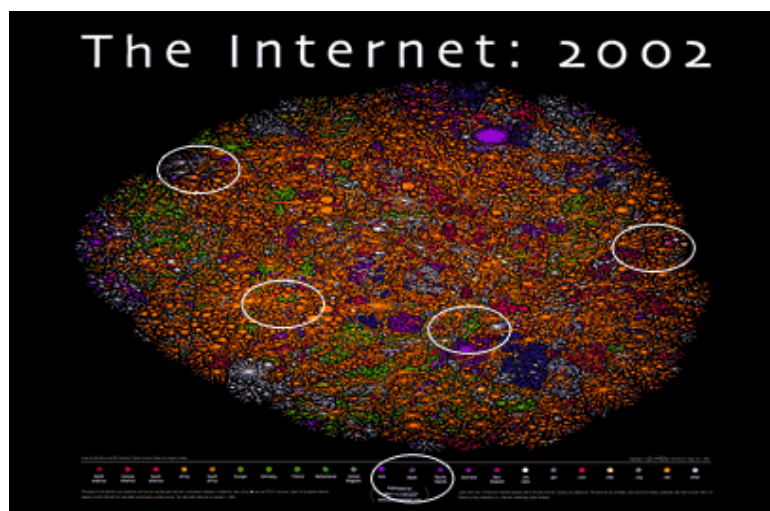
The ARPA Network – September 1969



USENET – 1986



The Internet – 2002



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Preface

This Strategic Plan sets the direction and establishes the three-year goal for ICANN's staff and operational functions:

To enable ICANN and its structures to serve a global Internet community in fulfilling ICANN's Mission, and to complete the initiating MOU process, by establishing an effective, international, inclusive, stand-alone ICANN.

This draft Strategic Plan has been prepared by the ICANN President and his senior staff in consultation with ICANN's Board of Directors and members of the ICANN community. The final document will be prepared following further consultation involving ICANN staff, Board, and community members.

In preparing a multi-year Strategic Plan, ICANN is applying good business practices which allow it to build on its successes and incorporate improvements over time. While the plan will guide ICANN for the coming three years 2004–2007, it will be updated annually by the Executive and Board to respond to the dynamic policy resolutions and interests of ICANN's diverse constituencies.

Limits of Strategic Plan

ICANN fulfils two separate but related functions within the global Internet community:

- **Policy development** – ICANN provides a global forum and framework for the discussion of topics related to its technical mission and the consequent development of related global Internet policy.
- **Administration** – At the same time, ICANN and its staff implement specific technical policies, and provide support for the policy development process to work smoothly and effectively.

ICANN underwent a reform process during 2002-3 that restructured and strengthened the ICANN policy process. This Strategic Plan does not revisit the reform process but focuses on defining strategic priorities for administrative roles only, those required to sustain a stable, global and multi-stakeholder organisation, and to support the organisation's policy development process. This Plan also does not seek to make any statement or limitation on how the Internet community may seek to engage the ICANN policy forum, or prescribe any future direction for policy development.

Guiding Principles and Values

For this Strategic Plan, particular attention has been paid as to how to best execute the administrative and operational objectives within the framework of its [Mission](#) and in the spirit of its [Core Values](#). These documents, reproduced on pages 7 and 8, are part of the governing principles for ICANN embodied in its Bylaws.

As Article 1 of ICANN's Bylaws points out, the Core Values are expressed in general terms, and 'situations will inevitably arise in which perfect fidelity to all eleven core values simultaneously is not possible.' The proposals for executing the Strategic Priorities below are attentive to this tension. They chart an appropriate balance among competing values and reflect the priorities that the community has collectively defined for ICANN.

Development of this Plan

Staff commenced the planning for the Strategic Plan in August 2003. A draft version of this Plan was finalised as of 31 December 2003 to fulfill an ICANN obligation under the Memorandum of Understanding (MoU) that ICANN has with the US Department of Commerce. Fulfilling the terms of the MoU allows ICANN to conclude that relationship.



ICANN and the Internet

The Internet requires a stable and secure system of unique identifiers if it is to serve its global community efficiently and reliably. ICANN has been established to serve the Internet community in maintaining the stability and security of the Internet's unique identifier systems, while fostering competition where appropriate to give Internet users greater choice at optimal cost. While the core functions were in the early years of the Internet (and its predecessors) performed under auspices of the US Government, ICANN marks the transition of these services from the responsibility of one national government to the global Internet community. In ICANN's self-governance model, the policies that create a stable, competitive domain name system are able to be developed in a manageable, bottom-up, consensus-based process that has global, multi-stakeholder representation. In short, ICANN's bottom-up coordination of global stakeholder interests is the way in which it accomplishes stability and competition.

Since its origins in 1998, ICANN has helped secure an environment in which over 700 million people can use the Internet daily with universal resolvability. It has worked to address stakeholder issues as they have appeared, and fostered greater choice, lower costs and better services to DNS registrants and their end-user customers. So that these benefits are realised for an ever-growing Internet community, ICANN is planning for the future. This strategic plan lays out ICANN's objectives and planned initiatives through to 2007, and incorporates the organisational and financial elements expected of leading organisations in both the commercial and non-profit sectors.

The Internet's Unique Need

Among the Internet's great strengths is its universality. Built out of thousands of interconnected networks, the Internet is a truly cooperative enterprise. Its basic premise is that everyone using it should be able to connect end-to-end. For that to happen, the many networks involved must communicate together. The community that collectively maintains the Internet has agreed on how that communication will take place. They share the same set of unique identifiers – a globally unique 'public name space' and numbering system – and agree on its proper use and application. Otherwise, the Internet would face fragmentation and disruption on a technical level that would be reflected in confusion and uncertainty for users.

The global Domain Name System (DNS), described more fully in the box below, delivers this essential characteristic of the Internet in combination with the other sets of unique identifiers. The DNS is a unique hierarchy of domain names that builds on a single, globally unique root. There cannot be more than one authoritative root in the public DNS system. Imagine if different ISPs used systems built on different roots. Two people who relied on different ISPs would then click on the same link on the same web page but end up at different destinations. The intent of both the web page designers and the users would be thwarted. This ability for all users to reach the same Internet site via the DNS is called “universal resolvability”. The DNS was developed through cooperation and a commitment to preserving interoperability of the global Internet. As with other global standards, the DNS must be updated as technical innovations are introduced.

Table 1: The Domain Name System

<p>The Domain Name System (DNS) helps users find their way around the Internet. Every network location on the Internet has a unique address called its “IP address” (Internet Protocol address). Because IP addresses (which are strings of numbers) are hard to remember, the DNS allows a familiar string of letters (the “domain name”) to be used instead. So rather than typing “192.0.34.65,” you can type “www.icann.org.”</p>	<p>The data in the DNS is stored in hierarchical and widely distributed sets of machines known as “Name Servers”. These machines are in turn queried by “resolvers”, which are often part of the operating system or software on the user’s computer.</p>
<p>Translating the name into the IP address is called “resolving the domain name”. The goal of the DNS is for any user to be able to reach a unique and specific host IP address by entering its domain name. Domain names are also used for reaching e-mail addresses and for other Internet applications.</p>	<p>The top of the hierarchy is known as the “root” and the set of time-zone distributed root servers mirror the root and provide redundancy and robustness to the domain name system. These servers contain information enabling resolvers to find details of the level below, known as Top Level Domains (TLD).</p>
<p>Ensuring predictable results from any place on the Internet is called “universal resolvability.” It is a critical design feature of the Domain Name System, one that makes the Internet the helpful, global resource that it is today. Without it, the same domain name might map to different Internet locations under different circumstances, which would only cause confusion.</p>	<p>There are both generic TLDs, such as .org, .com, .biz and .museum, and Country Code TLD’s such as .uk, .nl and .br. The name servers for these, often referred to as “TLD-servers”, in turn contain data for the level below that, i.e. icann.org. The icann.org name servers will in turn contain the information that maps www.icann.org to 192.0.34.65.</p>
	<p>Once a resolver has identified the right TLD-server and name server it will store that information and not need to return to the root servers for that information every time. This distributed method of information sharing keeps the DNS and global Internet extremely robust and stable.</p>

The greatest threat to DNS stability and security is the corruption of the root-zone file, or the unavailability of the root server system. Were the zone file to become corrupted or obsolete, or the root servers to become completely unavailable (e.g., through a denial of service attack or massive technical disruption), the DNS would begin to degrade immediately, and within days would be unusable. In ordinary circumstances, such a breach in the integrity of the DNS would be quickly healed through the collective work of the global technical community. While the present system has remained stable and secure through the last 35 years, extraordinary situations are something that must be guarded against. Maintaining a unique, stable, and secure DNS root server system ensures that the domain name system works reliably for everyone.

Similarly, for IP addresses to work as they should – being the unique identifiers that guide routing across the global Internet – they require the security of a unique and authoritative source to manage the allocated and unallocated IP address pool. The policies for allocation of IPv4 and IPv6 address blocks are applied fairly and are based on the documented need for address space. The cooperative distribution system from ICANN to the Regional Internet number Registries ensures that isolated “shortages” will not occur. Addresses and other number resources are distributed in a coordinated fashion from a single global pool, and there is no system whereby that pool is exclusively divided among, or pre-allocated to, different countries or regions. This ensures everyone has equitable access, both now, and in the future.

ICANN’s mission is to ensure the stable and secure operation of the Internet’s unique identifier systems, including the DNS root name server system and IP address allocations. The cooperative agreements enabling the DNS and IP addressing systems to function so well are the same collaborative efforts that are embodied in ICANN’s policy development process.

Coordination, Collaboration and Cooperation

The Internet is a necessary resource for businesses, individuals, and Governments in modern society. As such a vital resource, Internet issues attract great attention from the many public and private organisations that represent those interests. At the same time, the technical community continues to innovate and extend the range of the Internet’s capabilities and functions. Many of these experts and everyday users have competing views of how the Internet should be managed, and each has a stake in having that view prevail.

The Internet is designed to be *layered* in its implementation so that different groups can create software at different layers, take responsibility for operating different parts of the network and build and operate a variety of applications more or less autonomously, while following the technical standards that permit widespread interworking of independently implemented software.... Two things about the Internet should be abundantly clear. First, it is a vast collaboration of many components and second, that it cannot and will not function without the cooperation and collaboration of the entire range of entities with interest in its operation. There are literally hundreds of thousands of networks that make up the global Internet.... It should be evident from these observations that the coordination, collaboration and cooperation of many distinct entities is vital to the Internet’s successful operation and that this characteristic has been a part of the Internet’s history from its earliest conception.

Foreword to "Who Rules The Net? Internet Governance and Jurisdiction"
(Cato Institute, 2003) by Vinton G. Cerf

The 2001-5 UN World Summit on Information Society (WSIS) exemplifies the global efforts towards a better understanding of the information society and its potential accessibility to all. Its in-depth exploration will likely reinforce that the Internet will not function without the cooperation and collaboration of the wide range of entities with interest in its operation.

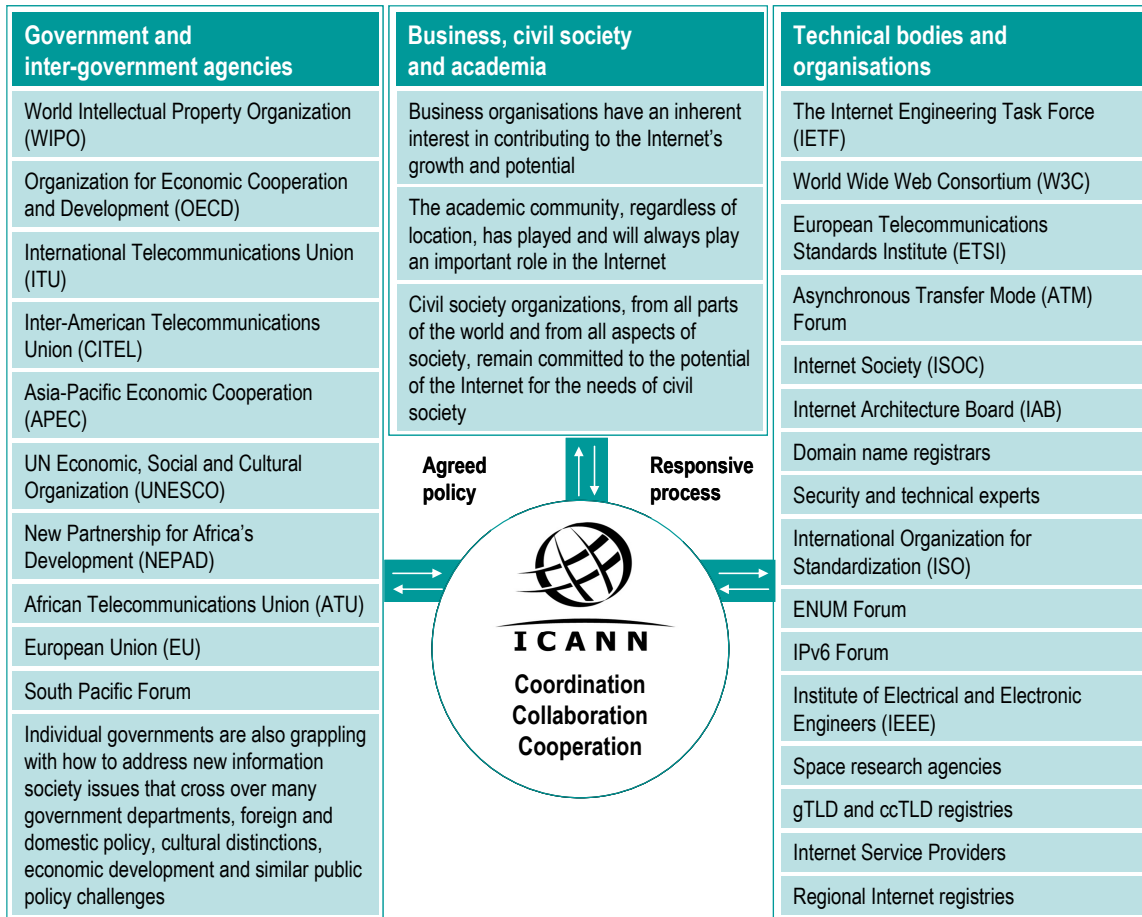
The WSIS process has also highlighted that among some sections of the international community there are misperceptions about ICANN’s role and responsibilities. It is important that there be clear understanding of ICANN’s specific role and mission. Further, it is clear that the solutions to some of the Internet’s problems (such as financial transactions, Internet content control, spam, data protection, e-commerce, e-government, and Internet taxation) are outside of ICANN’s mandate and influence.

UN Secretary General Kofi Annan has designated a Working Group on Internet Governance (www.wgig.org) under the Chairmanship of Mr. Nitin Desai, Special Advisor to the UN Secretary General for the World Summit on the Information Society. The WGIG will further discuss and define important issues surrounding the Internet and the wide range of related issues of concern to governments. The Working Group's report will further increase public knowledge and understanding of the Internet, how it works, which organisations are involved and their respective responsibilities. Such an in-depth exploration will likely reinforce that the Internet will not function without the cooperation and collaboration of the wide range of entities with interest in its operation. As with other Internet related issues and discussions, the fully inclusive nature of such a Working Group, involving governments, the private sector, civil society and international governmental organisations and international organisations reflects the general partnership approach which has helped build the Internet over the years.

ICANN operates in this increasingly complex environment. While ICANN's mission is limited and distinct, focused on the layer of unique identifiers, it involves the basic underpinnings of the Internet. Those who rely on the Internet's continued stability and global interoperability have an active interest in ICANN's decisions.

ICANN's structure and processes must continue to ensure that all these stakeholders can not only participate, but can work cooperatively to craft policy that appropriately balances their various concerns. The alternative – a top-down entity that represents only one or a select few constituencies – would be a dramatic shift from the successful multi-stakeholder partnerships that have been critical for the success of the Internet. It would also represent a severe disruption not only to ICANN, but also to all the consensus bodies that play a key role in the diverse development and functioning of the Internet.

Figure 1 Stakeholders in the Domain Name System



ICANN's Mission

Since its creation, the Internet community has vigorously discussed and reviewed the mission and values that guide ICANN's actions. This extensive, inclusive and bottom up discussion has been encapsulated in ICANN's Bylaws, its Mission and Core Values.

The limited and distinct mission of ICANN is clearly set out in Article I of its Bylaws.

The mission of The Internet Corporation for Assigned Names and Numbers ("ICANN") is to coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems. In particular, ICANN:

1. Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are:
 - a) Domain names (forming a system referred to as "DNS");
 - b) Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and
 - c) Protocol port and parameter numbers.
2. Coordinates the operation and evolution of the DNS root name server system.
3. Coordinates policy development reasonably and appropriately related to these technical functions.

These services were originally performed under U.S. Government contract by the Internet Assigned Numbers Authority (IANA) and other entities. ICANN was created in 1998 through a Memorandum of Understanding (MoU) with the United States Department of Commerce to transfer the management of the systems of unique Internet identifiers from the U.S. government to core Internet stakeholders internationally. ICANN is an international, non-profit, multi-stakeholder organisation. It has become the globally authoritative body on the technical and organisational means to ensure the stability and interoperability of the DNS, and the continued equitable distribution of IP addresses.

ICANN's Core Values

ICANN's Bylaws detail ICANN's core values as part of its Mission.

In performing its mission, the following core values should guide the decisions and actions of ICANN:

- 1 Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.
- 2 Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination.
- 3 To the extent feasible and appropriate, delegating coordination functions to or recognising the policy role of other responsible entities that reflect the interests of affected parties.
- 4 Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.
- 5 Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.
- 6 Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.
- 7 Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.
- 8 Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.
- 9 Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.
- 10 Remaining accountable to the Internet community through mechanisms that enhance ICANN's effectiveness.
- 11 While remaining rooted in the private sector, recognising that governments and public authorities are responsible for public policy and duly taking into account governments' or public authorities' recommendations.

These core values are deliberately expressed in very general terms, so that they may provide useful and relevant guidance in the broadest possible range of circumstances. Because they are not narrowly prescriptive, the specific way in which they apply, individually and collectively, to each new situation will necessarily depend on many factors that cannot be fully anticipated or enumerated; and because they are statements of principle rather than practice, situations will inevitably arise in which perfect fidelity to all eleven core values simultaneously is not possible. Any ICANN body making a recommendation or decision shall exercise its judgment to determine which core values are most relevant and how they apply to the specific circumstances of the case at hand, and to determine, if necessary, an appropriate and defensible balance among competing values.

ICANN was formed by the Internet community in answer to the growing globalisation of the Internet and the identified need for competition and choice in the domain name arena. During 2002-3, it was re-formed by the community to better answer their needs. This hands-on, self-governing model of Internet policy development has characterised the successful development of the Internet for over 35 years. ICANN embraces that success, and has embodied those tested policy development principles into its own structure and processes. ICANN brings together stakeholders from across all spectrums to develop policies related to its specific roles – the management of the DNS and of other unique Internet identifiers. While these informed stakeholders initiate and guide the policy development process, ICANN sustains their efforts by providing staff support, resources, and coordination. While being broadly supported by national governments and their international agencies, ICANN has remained independent from them.

Table 2: What Does ICANN Mean by Policy?

<p>“Policy” is a word used extensively by ICANN’s various constituencies – the Internet community, government and business. But it is a term which means different things in each one. Loose use of the term in a cross-constituency setting can result in confusion and even conflict. So it is worth being specific about how ICANN and its structures use the term.</p>	<p>Within governments, ‘policy’ is the set of principles by which a government is guided in its management of public affairs. ICANN refers to this use of the term as ‘public policy’. ICANN does not create public policy and relies on the Governmental Advisory Community to give advice on how ICANN’s work is influenced by, or may impact, public policy.</p>
<p>We use the term to mean “the framework of technical rules, standards and agreed procedures needed to manage the domain space and unique technical identifiers”. This is a technical coordination definition to be sure, but is the one adopted by this document, and wherever ICANN refers to “policy”.</p>	<p>Within businesses, “policy” often refers to the agreed priorities, rules and procedures that operate within a company. ICANN refers to this usage as ‘corporate policy’. ICANN’s Articles of Incorporation and Bylaws, and some of its Board resolutions constitute ICANN’s repository of corporate policy.</p>

Strategic Principles

While ICANN remains committed to the narrow scope of its mission, it is a mission that is ever more demanding in the world of a growing and globalising Internet. To meet this expanding yet prescribed role, ICANN relies on its founding principles. These same principles were embedded in the Memorandum of Understanding and reflected in ICANN’s Mission and Core Values. They have remained the basis for all discussions since on ICANN’s functions and purpose, and have guided this current Strategic Plan and budgeting process.

These Principles are that the Internet’s unique identifier systems must be maintained as *stable and secure*, with competition within them giving Internet users greater *choice*. The policies that create a stable, competitive unique identifier system are in turn developed through a *bottom-up, consensus-based process* that has *global representation*. In short, ICANN’s bottom-up coordination of global stakeholder interests is the mode through which it accomplishes stability and competition.

These core principles require ICANN to pursue a greater outreach to and service for all users of the Internet. This is particularly true for developing nation Internet communities, who have been less able to participate in the existing structure. As these communities join in the ICANN process, ICANN will facilitate their participation with these principles firmly in mind.

Stability and Security

ICANN's role is to facilitate practices, processes, and implementations that enable the unique identifiers systems to operate reliably and predictably. Necessarily, security is a significant consideration.

Competition and Choice

Competition in the domain name markets brings proven benefits to consumers in choice and costs. ICANN engages this principle by enabling the introduction of new gTLDs, fostering competition among registrars, managing the contracts and relationships involved, and overseeing compliance with the policies and contracts.

Independent, Bottom-up Coordination

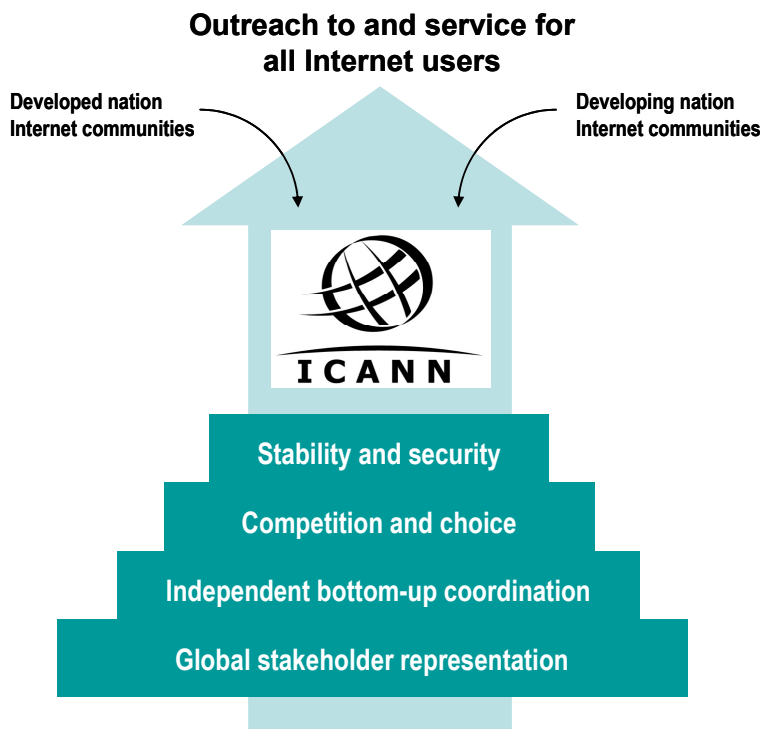
ICANN has embraced the successes of self-governance in Internet policy development and embedded them in the structure of its organisation and ICANN's policy development processes. ICANN brings together the spectrum of Internet stakeholders and users, including businesses, governments, non-commercial, technical, and individual users, and provides mechanisms for their bottom-up coordination of policy development related to ICANN's specific role in the management of the Domain Name System and unique Internet identifiers. These stakeholders initiate and guide the policy development process, ICANN sustains their efforts by providing staff support, resources, and coordination of activities to maintain the participation of informed individuals and groups.

Global Representation

ICANN operates for the benefit of the Internet community as a whole. As a corollary, ICANN relies on participation from the full breadth of the Internet community, to ensure that its policy development incorporates all relevant perspectives. In particular, ICANN seeks to ensure truly international participation – from both developing and developed nations – in decisions that determine the security and stability of the global Internet.

Again, this principle is a foundation of ICANN's policy development process, and is discussed further in the next section.

Figure 2 How Stability and Competition is Accomplished



ICANN's Policy Development Process

Policies that resolve issues within ICANN's responsibilities are developed through a bottom-up consensus process, to which all relevant players contribute on the basis of their specific interests, expertise, or responsibilities. This bottom-up, inclusive model for technical coordination, encapsulates the multi-stakeholder approach used within the Internet community over the last 35 years.

The figure *Stakeholders in the Domain Name System* gives some indication of the number of interest groups and organisations, public and private, which feed into this policy process. The question for the Internet community has always been – how to channel all of that expertise into agreed policy, while keeping the process responsive and timely?

The ICANN answer has been for these stakeholders to work through a series of Supporting Organisations and Advisory Committees. The policy debate is held within and between these bodies. In them, governments and international treaty organisations work in tandem with businesses, organisations, and skilled individuals – all working to resolve issues that directly concern ICANN's mission of technical coordination. These bodies are:

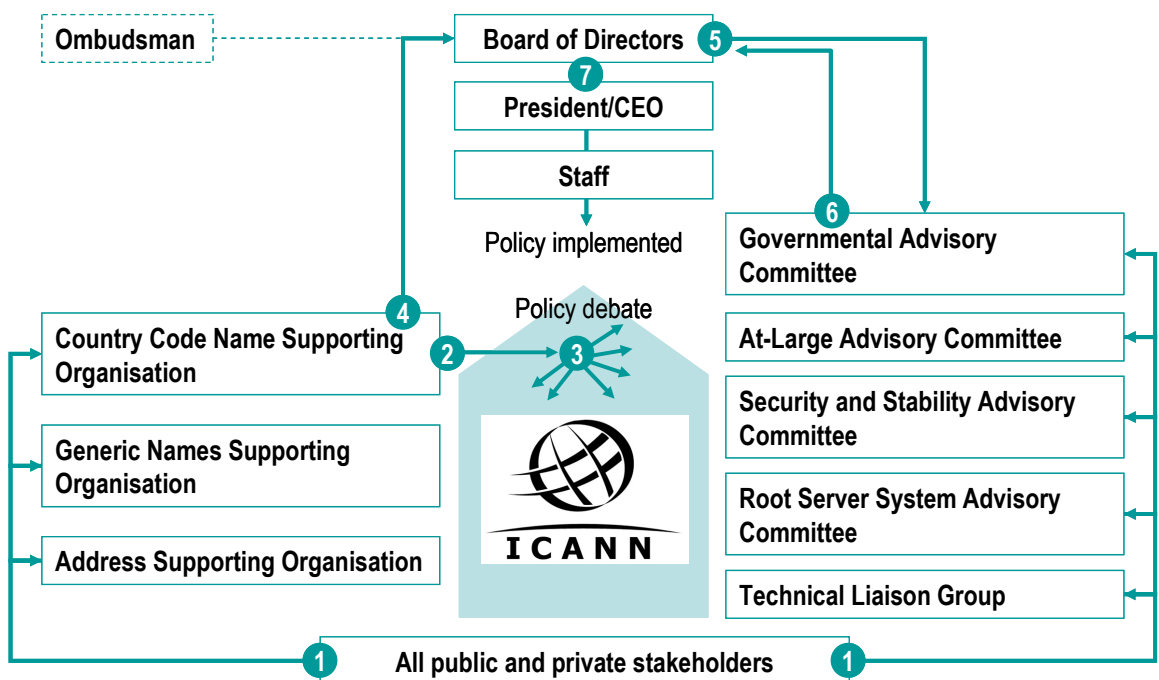
Address Supporting Organisation (ASO)
At Large Advisory Committee (ALAC)
Country Code Names Supporting Organisation (ccNSO)
DNS Root Server Advisory Committee (RSSAC)
Generic Names Supporting Organisation (GNSO)
Government Advisory Committee (GAC)
Security and Stability Advisory Committee (SSAC)
Technical Liaison Group

While each body has a direct link to ICANN's Board (see *chart over*), the relationships are governed by a series of consensus policy decisions, legal agreements, and Memorandums of Understandings that are both transparent and comprehensive.

As the innovation and continuing growth of the Internet brings forth new challenges for maintaining stability, any of the ICANN bodies may propose new policies in response. When a consensus position is reached within the proposing group, after suitable public comment, and taking account of other supporting organisation and advisory committee comments, a proposal is put to the ICANN Board for ratification. Once policy decisions are made through this framework, they are implemented by the ICANN executive and staff.

The Government Advisory Committee may take part in the general debate, but has a particular role in the process. If an ICANN policy would likely be affected by national public policy, the ICANN Board must obtain advice from the GAC. Over 100 national governments advise the Board of Directors through GAC. Governmental input is received at many levels of the ICANN process and ICANN by-laws provide specific mechanisms for soliciting, receiving and considering governmental inputs.

Figure 3 ICANN Policy Process



Policy Development Process

ICANN staff do not make policy. Rather, policy is created through a transparent, bottom-up process involving all stakeholders in the Internet Community.

1. That a policy is needed may be recognised anywhere in the Internet community, and proposed to one of ICANN's Supporting Organisations (SO).
2. Policy suggestions are reviewed by the relevant SO and, if the body sees its possible merit, it is introduced to the ICANN process.
3. Each SO and AC has its own (published) process to call for and review public comment. Other SOs or ACs may respond to that process. All considerations are debated within the sponsoring SO or AC until a consensus position emerges. ICANN facilitates this exchange of views and, where necessary, keeps the process on track until a draft policy is finalised.

4. Once a draft policy is in final form, the SO submits it to the ICANN Board for ratification. The Board receives its own expert advice, and may pursue another round of public comment. If it senses that the draft policy does not reflect a truly consensus position, it may hand it back to the sponsoring SO for refinement. Again, ICANN staff facilitate communications between the Board, the SO and ACs, and the public, to ensure that the policy process is efficient, thorough and inclusive.
5. The Board shall notify the Chair of the Governmental Advisory Committee in a timely manner of any proposal raising public policy issues on which it or any of ICANN's supporting organisations or advisory committees seeks public comment, and shall take duly into account any timely response to that notification prior to taking action.
6. The advice of the Governmental Advisory Committee on public policy matters shall be duly taken into account, both in the formulation and adoption of policies. In the event that the ICANN Board determines to take an action that is not consistent with the Governmental Advisory Committee advice, it shall so inform the Committee and state the reasons why it decided not to follow that advice. The Governmental Advisory Committee and the ICANN Board will then try, in good faith and in a timely and efficient manner, to find a mutually acceptable solution.
7. Once policy decisions are ratified through this framework, they are implemented by the ICANN executive and staff.

ICANN's inclusive processes enable it to respond rapidly to changes in the commercial, technical and geopolitical landscape of the Internet that may impact on the Internet's unique identifier systems. Since policy development is managed by those directly affected by the outcome, those participants have a stake in achieving effective and implementable policy on a timely basis. As their needs change, they can readily initiate new proposals, or recommend changes to existing policy. This is the heart of self-governance, and ICANN brings that to life for the specific technical areas that constitute its mission.

Though rapid and flexible, the ICANN process also requires and considers input from all interested and affected constituencies. Several redundancies are built into the ICANN process to ensure that a new policy addresses the needs of the entire Internet community, and not one special interest area or geographical region. The most obvious of these is the need for policy recommendations to have consensus support before they are ratified by the ICANN board. This is a rigorous process and, so that ICANN can meet the need for timely responses to real world change, it can be resource-intensive.

Global Representation in the ICANN Process

The Internet is marvellously robust, in no small part due to the thousands of independent networks that operate together to move traffic around the globe. ICANN strives for greater international participation in decisions that determine the security and stability of the global Internet. Without that participation, ICANN cannot be sure that its policy development incorporates all relevant perspectives, and that it is operating for the benefit of the Internet community as a whole.

Accordingly, ICANN invests significantly in ensuring that all corners of the Internet community, in both developed and developing economies, have access to the policy process. Participation is open to all who have an interest in global Internet policy as it relates to ICANN's mission of technical coordination. To facilitate this:

- The ICANN Board and staff reflect the international nature of the organisation. The staff hails from nine different countries, and the Board represents twelve nationalities.
- Bylaws require geographic diversity on the Board and other policy making Councils and committees
- The Supporting Organisations and Advisory Committees that lead the bottom-up policy development process are internationally based and populated.
- ICANN holds public meetings throughout the year across its five regions. Recent meetings have been held in Accra, Bucharest, Shanghai, Rio de Janeiro, Montreal, and Tunis. The 2004 meetings are being held in Rome, Kuala Lumpur and Cape Town, attracting attendees from more than 75 countries.

The ICANN community sees a growing need for outreach to developing country Internet communities, particularly in areas where personal travel costs, or network access to live webcasts can impose a significant burden on local operators, users, and other stakeholders for participating in the ICANN process. These local Internet communities are vital stakeholders in ICANN, relying on a stable and secure DNS to provide common ground as they connect to and engage with the global Internet. ICANN seeks to foster their involvement in the ICANN process, and to ensure that their needs are fully considered as policy is developed.

ICANN's Achievements to Date

Since 1998, ICANN's self-governance model has succeeded in addressing stakeholder issues as they have appeared, and bringing lower costs and better services to DNS registrants and everyday users of the Internet.

The main achievements ICANN's stakeholders have seen are:

- **20 billion DNS resolutions per day.** There have been about 55 million domain name registrations globally. The Regional Internet Registries (RIRs) and ICANN, working together, have allocated approximately 313 million IPv4 addresses since 1999. Each day more than 700 million users use the Internet. Due to universal DNS resolvability, the Internet works in the same way for every one of them.
- **A US\$1 billion annual reduction in domain registration fees.** The market competition for generic domain name (gTLD) registrations established by ICANN has lowered domain name costs by 80%, with savings for both consumers and businesses.
- **Internationalised Domain Names (IDN).** Working in coordination with the appropriate technical communities and stakeholders, ICANN's adopted guidelines have opened the way for domain registration in hundreds of the world's languages.
- **The Uniform Domain Name Dispute Resolution Policy (UDRP).** The Policy has been resolved more than 5000 disputes over the rights to domain names, and proven to be efficient and cost effective.
- **Streamlined inter-registrar domain name transfers.** After significant study and discussion, and working with the accredited gTLD registrars, ICANN developed a domain name transfer policy which allows domain name holders to transfer management of their domain name from one registrar to another, bringing further choice to domain name holders.

At the same time, ICANN's stakeholders have been concerned at times that ICANN's resources have been stretched in delivering that performance. While the past year has seen continual improvement in the delivery of its mission, including the performance of its IANA functions, those roles are becoming ever more demanding. A larger and more dynamic market for domain registrations is evolving to meet the needs and wishes of the Internet community, bringing with it greater registration traffic and more frequent and detailed communication between IANA and its stakeholders. Compliance and oversight, policy development and rapid response on IANA issues are three of the areas where ICANN's performance is monitored by the Internet community.

ICANN's Future Objectives

Over the last twelve months, ICANN staff and Board members have consulted with a wide range of people representing a variety of interests and needs relating to ICANN's mission. Formal discussions have included governments and law enforcement officials, academic and everyday users of the Internet, ccTLD managers, gTLD registry and registrar operators, business leaders, Internet service providers, technical Internet operators, and many more. There has been considerable commonality in the issues raised by stakeholders. The issues that have settled out as being key are shown in Table –Identified Objectives for ICANN.

The objectives identified by the community and those outlined in the MoU coincide in many respects. The first issue raised by nearly all stakeholders is for ICANN to fulfil the existing MoU and so become independent of the U.S. Government. Other stakeholder identified issues also appear as obligations under the existing MoU: see Appendix for a full list of the current MoU requirements.

Figure 4 Identified Objectives from ICANN Stakeholders

	Governments	Internet address communities	ccTLD Managers	Members of technical community	At-large user communities	Law enforcement officials	Academics and researchers	Wider business community	gTLD registrars	gTLD registry operators	Intellectual property holders	Internet, connectivity service providers
1. Complete the MoU process with the US DOC	●	●	●	●	●	●	●	●	●			●
2. Proactively ensure the future stability and security of root server system	●	●	●	●	●	●	●		●	●		●
3. Substantially augment core IANA services and ensure they function effectively	●	●	●	●	●	●	●	●	●	●	●	●
4. Efficiently introduce new gTLDs to increase competition in the domain name space	●				●			●	●	●		●
5. Significantly expand available resources to assist developing nation Internet communities with education and technical coordination	●	●	●	●	●	●	●					●
6. Meaningfully increase preparation of ICANN materials in multi-lingual formats	●	●	●	●	●		●	●	●			●
7. Actively promote consumer interests through information and service	●		●	●	●	●	●		●	●	●	●
8. Effectively educate consumers on how to obtain resources for dispute resolution, consumer protection and law enforcement	●		●	●	●	●	●	●	●	●	●	●
9. Considerably strengthen services to gTLD Registries to address their growing needs as new gTLDs are introduced				●	●			●	●	●	●	●
10. Significantly strengthen services to gTLD Registrars to ensure a healthy, competitive marketplace	●			●	●			●	●	●	●	
11. Materially aid gTLD Registrars with managing consumer complaints	●			●	●	●		●	●	●	●	

A Strategic Plan for ICANN's Future

ICANN has determined its immediate objectives in a twelve month consultation with all of its constituencies, a process that appropriately reflects ICANN's consensus-driven policy development process. These objectives are consistent with its obligations to complete the MoU – continue the secure and stable operation of the Internet's unique identifier systems and of its root name servers, consider and adopt policies that keep up with technical innovation, introduce new TLDs, foster education and information sharing (particularly in developing nations), and increase the multi-lingual nature of its operations.

This Strategic Plan outlines the course for completing the MoU and becoming fully independent of the US Government, while simultaneously answering the demands of the ICANN community for increased resources in operations and policy development support.

ICANN recognises that to meet these demands it must continue to adhere to the four Principles that have guided ICANN's existence – stability and security, competition and choice, bottom-up coordination, and global stakeholder representation. Accordingly, the Strategic Plan has been structured and prepared around these four Principles. The initiatives that ICANN and its stakeholders believe are necessary to fulfil its objectives are laid out in the next section of this Plan. These initiatives will require dedicated resources within an expanded operational structure, both of which are discussed in the final section of this Plan.

In preparing a multi-year Strategic Plan, ICANN is applying good business practices which allow ICANN to build on its successes and incorporate improvements over time. While the plan will guide ICANN planning for the next three years, it will be updated annually by the Executive and Board to respond to the dynamic policy resolutions and interests of ICANN's diverse constituencies.

If implemented over the next three years, this Plan will enable ICANN and its structures to serve a global Internet community in fulfilling ICANN's Mission, and to complete the initiating MOU process, by establishing an effective, international, inclusive, stand-alone ICANN.



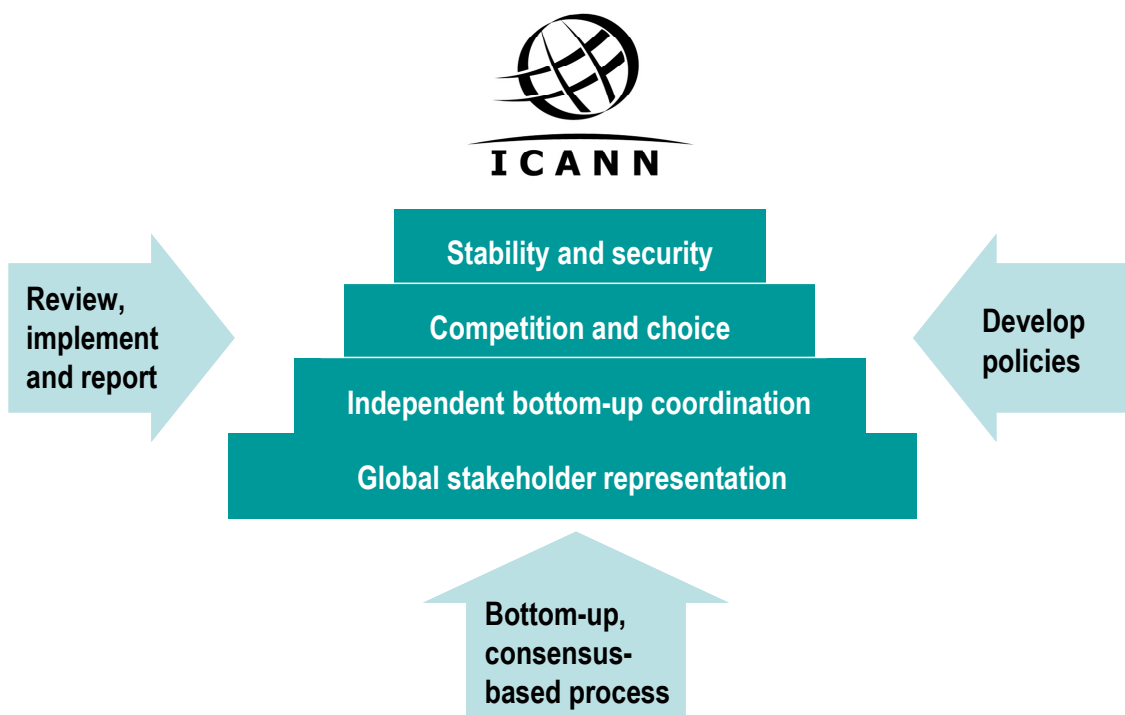
Strategic Priorities

This part of the Strategic Plan sets out how ICANN will be delivering on its four strategic priorities over the plan period of July 2003 to June 2006. It reviews the functions and initiatives that ICANN is currently pursuing towards each of these priorities. It also proposes new initiatives to further each of the priorities, setting out the rationale for those investments and the resources required.

The four strategic priorities are those set down at ICANN's foundation and embedded in its By-Laws, and have been the basis for all discussions since on ICANN's functions and purpose:

1. Stability and security of the unique identifier systems
2. Competition and choice in the unique identifier systems
3. Independent, bottom-up policy consensus, and
4. Global representation in that policy process.

Figure 5 ICANN Strategic Process



For ICANN to fulfil its mission, each of these priorities must be reviewed and pursued. The policies that create stable, competitive unique identifier system must be developed through a bottom-up, consensus-based process that has global representation.

Through ICANN's strategy development process, we have found that those initiatives and processes that best foster and ensure an independent, bottom-up policy consensus, also foster global representation in that process and consensus. Conversely, the initiatives that foster global representation do support the achievement of a bottom-up policy consensus. We therefore present the initiatives for these two priorities in one discussion. The first two priorities (stability and security, and competition and choice) overlap to a lesser extent and so their initiatives are presented independently.