
BEIJING – Contractual Compliance Audit & General Activities Update

Wednesday, April 10, 2013 – 11:00 to 12:30

ICANN – Beijing, People’s Republic of China

MAGUY SEARD:

This session is being recorded. In addition, there will be available Chinese translation. My name is Maguy Serad and I am the vice president for Contractual Compliance at ICANN. With me in the audience I have Jacks Khawaja. He’s the risk an audit manager. Next to him is Owen Smigelski. He is also the prevention and enforcement manager. Another team member will be joining us shortly. He’s finishing another session. And his name is Carlos Alvarez.

Thank you for joining us this morning. Some of you may see repeat slides and the reason for that is because we’ve already done a road show on Tuesday to the stakeholder group. And this session is open for public, so we will dive into some of the slides that look like duplicates to some of the members in the audience, but we have some other stuff to share in general with everyone also. Can you guys hear me all right? Okay.

So we’ll provide you a brief update on some of the compliance initiatives and we will move into an update on the audit program, and also an update on our future activities.

So many of you who have been keeping up with compliance know that we are in the process of consolidating our tools. We have been working through fragmented tools including e-mails and Excel sheets to be able

Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.

to manage our compliance activities. We have launched on the 25th of March the first WHOIS inaccuracy.

Moving away from InterNIC.net and using ICANN.org. This ability gives us a more user-friendly and user improved interface. It has added site navigations and Frequently Asked Questions in all 6 UN languages. Filing a complaint is in English.

The merging into ICANN.org website also using the consolidated tool has given us the ability to improve on our communication not only with the contracted parties but also with the complainant or the reporter.

At the end of every complaint, what we do will also be referred to as Pulse Survey to validate the quality of the complaint management process, to help us continually improve.

I'm going to click a link here to show you what the site looks like. Of course you can go – there are so many different places to file a complaint. Ultimately, it should all lead to the same place as we consolidate. This is the page that's one that's under the Contractual Compliance – if you go to Resources, Contractual Compliance, and there's a place that says "Complaint Submission."

This is the improvement where you will see, in English, a much more simplified description of what the site offers. You have the different Learn, which is the FAQs, and the Take Action is where it takes you to submitting a complaint.

We always inform the community what our next steps are for a couple of reasons. It's about being able to be clear and transparent of our activities, but also to not face any lack of expectation communication.

By ICANN 47, our objective as a group is to be able to consolidate all of our remaining tools into the consolidated and improved system.

What I mean by remaining, meaning the current tools that exist today. If you've gone and submitted tickets on InterNIC.net, this is what we hope to transfer into the new tool.

We complete the migration and we (inaudible) the old systems. We are going to, after that, also add a capability to submit multiple complaints, which is by request of the community. And when we finish with that, work is also underway to implement what we call bulk submission.

Bulk submission is going to be different than just regular submission of complaints. The framework to submit a bulk file will have a much more structured discipline. It's not going to be open for public. It's going to be by authentication. It's going to have a lot more stricter rules and guidelines that we're going to be building and putting together over the next trimester, collaborating with ICANN community and with our contracted parties, because bulk is introducing a volume of complaint that's not been there before.

So we will proceed with that step very carefully to ensure the success of everyone, because it's not just about filing complaints. It's about what is the impact to the operations, to the quality of responses and timeliness, but also to the overall satisfaction from the receiving end on both ways.

By ICANN 48, we will – our objective is to roll up new complaint types and to add new gTLD related complaint types and registry related.

On this slide is, again, by request, not only from the ATRT committees or the WHOIS review committees, but also by request from many of you.

You wanted better visibility and transparency to our activities. We have published the annual report in all six UN languages, and the annual report we also include financial statements about what is our budget and how we did against it. So please take a look at it. We include summaries across the different areas of compliance.

We also continue to publish monthly updates. I don't want to call them newsletters. Monthly updates should give the community a view about the activities that took place in the month. And if you want further information, do not hesitate to contact us.

The slide there – the link on this slide that is valuable to all of you, which also Fadi announced on Monday morning is on myICANN. So many of you should already have myICANN. All right, cool.

And there is a tab on myICANN now dedicated to compliance. As I said yesterday in many of the forums we attended, it is still static because the tools that feed into this are not linked together yet. So we do have dependencies and we're working towards making this more of a real-time tool where you can click and have it more of a (inaudible) interface, which is you as a user can click and tab and go and research stuff at your needs. But for the time being, it is restricted to few reports that are available through this.

So by clicking on any one of those blue items, which has a description of what it is, it will show you a report about what is the activity, what region, what TLD. I want to make clear to all ICANN community members, this compliance dashboard relates specifically to general global information. What I mean by that, it is at a top-level domain

information. It is at a complaint type information, not at a registrar or a registry level information.

The reason for that is we consider that data to be more confidential, but most importantly – most importantly – it is our way to be able to collaborate and work with our contracted parties.

So what you will see, unless it's information that's already been published as we've communicated to everyone – everybody knows the process. I don't have the process slide anymore to show you guys. We all sing to the same tune now, thank God.

The process has an informal and a formal resolution approach. The informal, or what we refer to prevention or collaboration phase, is a phase where contractual compliance works directly with the contracted parties to either inquire or follow up and follow through on non-compliance activities.

That is done directly between us. If and when there is no collaboration to that matter, it gets escalated to enforcement. Enforcement starts by issuing a breach notice which is published, and being published on the website by default puts it directly into this dashboard.

So I clicked on the Enforcement Notice Report. As you will see here, it's alphabetized. It will show you which registrars received breached notices, and on the left, we list the different provisions and we list the status of that information. Okay.

So again, keep in mind please as you're looking at this, it's just a first phase. And I want to highlight it's for the period of October, which is the last ICANN meeting, until February. And the fact that it's static has not

enabled us to provide you March data, because usually it takes about ten business days for us to collect it from all the different sources. But look forward hopefully by ICANN 47 – at the latest, 48 – where it will be more real-time.

Staff update. Our head count remains at 15 as we had committed for this year. We are in the process of planning for our next fiscal year budget and in there we do have a request for additional head count to allow us to grow based on the community demands, but also based on the different areas that are coming our way.

The most important thing about this slide that I want to highlight to the audience is how we have restructured our department. Department now is focused. We put a very focused emphasis on our operations. We have a team that is focused on complaint processing. That is critical because it's customer facing, user facing, but it also has a lot of visibility on the reporting.

So we receive complaints. It's true, it's reactive, but we want to make sure that complaints are processed timely and followed up and followed through.

So we have a team that's focused on processing complaints across all complaint areas. It takes time to ramp up and build the skillsets across all. We still have subject matter expertise in specific areas, but by working cross-functionally, that's being put together to get us to a much more stronger operational team.

The operations team is also responsible for performance measurement and reporting. This is where a lot of the dashboard information comes from.

We also have a team focused on the prevention and enforcement to allow us in the prevention aspect to do a lot more monitoring activities, informal outreach sessions whether directly with the contracted parties or sometimes the reporters.

So that prevention is focused on what we call proactive approach. The enforcement part of that same team is also focused on ensuring that once a breach notice or an enforcement has taken place, it's followed up and followed through timely and consistently.

We also have a very focused area on risk and audit area, and Jacks is going to provide you an update on where we are with the audit program, but what other activities we're going to do in that area.

JACKS KHAWAJA:

Can everyone hear me? In the back? Yeah, good. I personally don't like standing at podiums, so forgive me; I won't stand there. So several of you – I see many of you actually from the different forums that we've presented at today, yesterday, the day before. The screen up here that you see is an overview of the phases that we have for the audit.

The phases that we're using for the audit are commonplace in the audit profession, whether it's publicly traded, non-public, for-profit, non-profit. We're using the same exact methodology that any company would use if they were to do an audit.

So we've went through those phases as part of the program for year one of the contracted parties, and at this point and at this stage, we have went through from the middle of last year all the way to today. We've issued all the audit reports to all the registries and registrars that were selected in year one. We've remediated quite a bit with the registries and registrars, which is great. And I'll share a lot of those statistics with you today.

So the communication we've had to date with all of you has been the pre-audit notification. So we sent a pre-audit notification back in November of 2012 to both registrars and registries basically giving them an idea of the timeline of the audit, what it's going to entail in terms of the provisions and how it's going to be conducted.

In addition to that, we sampled the registrars and registries. When I say sampled, we randomly sampled. It was a random selection process. And with that, we issued – we started the process with the 1-2-3. Those that are not familiar with the 1-2-3 process in compliance, what it basically means is the first notice, you have 15 days to respond to a request. The second notice is five days and the third notice is five days. After the third notice, if the contract party doesn't respond, it goes to enforcement.

So we've issued those notices. We went through that process. We provided FAQs. As of today – actually, as of March 27, 2013, you'll see the stats up there where it has the stats per batch for the audit reports that we issued.

So we issued four batches, and the reason we did that is we collected over 20,000 documents in 22 different languages. It takes a lot of time

to translate a lot of that information. So for batch one and two, we issued it on March 8th. 97 total is what it shows. It's actually 140 registrars in that 97, what you see there. The reason that is because there were families that were grouped.

So, for instance, a large family may have 20 random registrars selected. If they operated both technically and operationally the same, we'd roll that up into one audit report. So they'd receive one report for the 20 different registrars. Batch three we issued between March 22-26. That was another 62, and the final batch was March 29th.

For the registry audit reports, we released those the last two weeks of March. So we're going through those now with the registries themselves.

Because of the depth and the scope of this audit, there were 35 different countries where registrars were represented. That was based on the random selection process of 317 registrars. For the registries, there were four U.S. TLDs, one Asian TLD, and one U.K. TLD that was randomly selected.

As you can see from the pie graph, there were 56% of the registrars happen to be in the U.S. That amounts to about 178 registrars of the 317. The remainder of that was broken out over 34 different countries. So you're dealing with different time zones, different languages, just a variety of different things – local laws, so on and so forth.

From the documents we collected in year one alone, we had 21 different sets of languages where documents were provided from Norwegian to Mandarin Chinese. All of those documents were

translated. We evaluated it to make sure that the registrars were in compliance with provisions and we responded to them with an audit report.

As a result of the requests for information phase – from this point forward in the presentation, we’ll be talking about the phases. We’ll go into the process in which the audit was conducted. The very first phase was the request for information phase where we sent a request for documents on November 26, 2012. We sent a request to each of the 317 registrars and the six TLDs.

As a result of the RFI phase – I explained earlier the 1-2-3 process. After you get through the third notice and you don’t respond, you get breached. We issued ten breach letters where there was a discrepancy or there was no communication to us in terms of providing evidence to suffice the audit request. Of those ten, three were terminated, which means the remaining seven provided us documentation to move onto the next phase, which is the audit phase. These letters are published on our website, ICANN.org, so it’s public information at this point.

Okay. So now we’re onto the audit phase. And we’re only going to talk about batches one and two because batches one and two were issued March 8th. So they’ve went through the full cycle of notice one, notice two, and notice three.

So for the audit phase, what you’ll see here are the top ten deficiencies that were discovered in batches one and two. The biggest issue that was discovered was that public contact information wasn’t on the registrar website. That’s representing the blue bar where it says 59.8%.

And as you can see, the blue bar is basically the results of the deficiencies that were noted from the very first time we issued the reports out. The red bar – the smaller bar – represents our collaboration with the registrars to reduce those deficiencies or to address those issues.

So one of the biggest issues, the public contact information, which is what I just mentioned, went from 59% down to 9% meaning that the registrars corrected the majority of the issues on that one topic, which is the contact information on the site.

I don't want to go through every single one of these, but we hit over 47 different areas of the RAA when we audited it this year. So that's why you only see the top ten. I can't certainly show you all 47 of the areas that we hit, but we'll issue a report later on on June and I'll get into that in a little bit where we'll basically specify exactly what we looked at. Okay.

So the top areas that had no deficiencies whatsoever, there were a couple. The very first one happened to be with the information that was provided as part of the expired domain deletion policy. We were looking for – if the domain was renewed, we were looking for documentation on the payment for the renewal of the domain. In that case, every renewal that was done based on a random sample was fine. So there were no deficiencies in that area.

In addition to that, the reseller agreements. The reseller agreements that we received from registrars who use resellers had four of the five provision with no issues. One provision, obviously there were some issues, so that's why you don't see it up there.

On the consensus policies – the IRTP – when it comes to the auth code, the documentation that was provided to us always referred to the domain, which is pretty critical for us to tie that information out.

And then the last thing is the (inaudible), which is the emergency action contact for the IRTP policy. That was located in a radar, so we had no issues with that.

The reporting phase. So we're going through the phases as the flow chart I showed you earlier on the reporting phase. The public reports are going to be published in June 2013 and when I say public reports, I'm talking about statistical reports. I'm not talking about issuing a registrar's audit report on the web. We wouldn't publish that. But what we would publish is the list of registrars and the registries that were audited. We'll publish statistics such as the different phases and the different percentages and the different provisions that were reviewed and things of that nature as part of the public reports.

The other thing we'll publish is the breach notices. They've always been made public, as well as the enforcement process has always been public. So if someone reaches the breach stage, which means they haven't collaborated with us through the 1-2-3 process, those letters will be online, such as the ten that I showed you earlier during the RFI phase.

And then the non-public reports are the individual reports we're issuing to the registrars and the registries. All of them have it at this point. We've issues all batches to everyone as of (the end of March).

So on the reporting phase, we wanted to share some statistics with you as of March 27th. As I said earlier, batches one and two went through the full cycle of 1-2-3. As of March 27th 79% of the 97 registrars that were randomly selected had no deficiencies. That's a pretty critical number. That means that a lot of registrars cured a lot of issues within a couple weeks, which is amazing.

The remainder of the registrars that make up these percentages are currently going through remediation with us so we can help them cure those issues, whether they are domain transfer issues or contact related issues, anything of that nature. That's what it represents here when it says that 6% had 1-3 deficiencies, and then 7% had 4-6 deficiencies and so on. We're working with those parties to make sure that we clear up those issues, because our goal in the end is not to breach people but to help them cure the areas of importance that comply with the contract. That's really the goal of this program.

The remediation phase is the last phase of the audit program. There are different status types. There are those that have come to us that said, "Look, it's going to require an action plan. I need to make changes to my database. I need to do this. I need to implement a new system." Some type of remediation which requires some time to implement. Those we classify as in remediation and we'll track that and we'll monitor that and we'll retest that so that the registrar is brought up to speed and is in compliance with the obligations.

There are those that completed with no deficiencies. Those that were completed with no deficiencies required no further action. They didn't have to go back to us after we completed their audit and they were

issued a clean report. They were issued an audit report that stated “No deficiencies noted. Congratulations.”

The last type is the situation where I explained earlier where a registrar doesn’t work with us, doesn’t respond to us, doesn’t respond to our requests, doesn’t provide us the documentation. In those events, we escalate it to enforcement. They’re issued a breach notice. That breach notice is put on the web, and then the breach notice, if they cure within the timeframe, will update the breach notice to say they were cured. If they don’t update or give us the information we requested, then it goes to the next stage which is termination.

I think many of you will find the next couple slides interesting because I haven’t shared it – we haven’t shared it – in any other session. So those that are in here today will see firsthand what we’re doing internally to audit ourselves, which is interesting. It’s the first time it’s ever happened. I think many of you will find it satisfying at one point when we get into that.

Just briefly on year two, it’s going to be the same timeline, same scope, same process, but we’re going to make some tweaks. And this is for those that haven’t been audited yet that are in years two and year three or will be randomly selected in year two and three. I just want to make sure that everyone knows that we’ve made some improvements to the existing process based on what we’ve heard in the outreach sessions with the registrars and the registries.

The first thing we’re going to do is on the request for information that’s going to be sent to the registrars that are randomly selected in year two, we’re going to put examples of what we’ve seen in year one,

meaning specific examples so that they don't have to guess in terms of what they need to provide. That's (inaudible) one.

The second thing we're going to do is within our audit tool this year, was a little bit rigid meaning the registrars couldn't delete files within the tool. They had to re-upload over the existing file. The initial intent was to make sure that we can track and log every single action that was taken into the tool. This time we're going to allow free access to it so they can delete whatever they want. Just know that whenever the phase closes and you've uploaded all of your documents, we're locking the tool so there are going to be no changes at that point. But that is going to be the access that we're going to give – access to delete things and re-upload things and things of that nature.

The other thing we're going to do as part of the transfer of the data process – this year it was a little bit difficult for registrars to transfer information into the tool. We've made some changes.

The first thing we're going to do is allow drag and drop straight into the tool. It should be quicker, easier, and seamless. The second thing we're going to do is allow for multi-file upload where you can highlight different files, pull it in. The other thing I think that we heard a lot of is to zip the structure of the files and upload just one file, just one zip file with all the individual domains that are within it with the right payment information, registration information, FOAs. Everything we requested in the RFI will be structured in a way where it's one file so that it makes it easier for the registrars in year two to simply bring that information in. And those in year one made a good request on that one and we're going to make that happen.

There are going to be dates on the notifications. And finally on the request for information itself, we're redesigning it completely. We've shared that redesigned request for information with some of the registrars in the community and they provided valuable feedback. That RFI is going to be easier to understand. It's going to be easier to see the examples within it and it should consolidate a lot of the work that was conducted in year one.

So for year two, the audits (go) for the registrars exactly the same as year one. The provisions that we're looking at are the same as year one and they're actually on the site. They've been on the site since September of last year when we conducted the various outreach sessions with the registrars and the registries. So this is no different than last year. We're going to be consistent about this. Every year we're going to look at the same type of documents for year two which is the end of this year, and year three which is the end of next year.

And then on the registry side, same thing. I don't know if – are there any registries in the room? Okay. So for the registry side, it was pretty seamless for them. We provided them the request for information. We asked for several different types of files. They uploaded those files and then we ran a bunch of algorithms against them and then reported the results to them. So that's going to be the same process as last year.

So let's get to the internal audit, the more important thing that I think many of you guys want to hear. So the decision was made to conduct an internal audit of our own operations. It's the right decision. And the process that we want to go through is the exact same process that the registrars and the registries went through. We're following the same

methodology internally that was followed when we conducted the audit with (most of you).

We're going to build a control matrix which is the typical start of an audit program where you identify the key controls. The key controls that are used within your operations. We're going to identify the risks, try to address those risks, and now what we're going to do is test. Same process we did with the registrars and registries where we will select a total set of documentation, and then what we'll do is we'll randomly sample. So that information—

And just so everyone knows, the audit component of this, the thing that I'm about to explain to you, is separate from operations. So when we do this internal audit, it's a separate function meaning that they won't be privy to the samples that are selected. They won't be privy to the things we're going to look at, which makes it a more independent process. It's a typical – it's as if you brought an internal auditor into your organization and said, "Hey, I want you to audit IT." It's the same exact thing.

The other thing we're going to do is once we provide that to the operations team – some of them happen to be up here on the panel – we're going to go ahead and request further documentation of those samples and we're going to audit those samples. Once we're done with auditing the samples, we'll report the audit results. So it's the same process. There's no difference.

Hopefully in that process we identify gaps and we fix them. That's the key. That's exactly what we did with the registrars and the registries

where we went to the remediation with all of you. It's the same process we'll do internally within operations.

Then after the internal audit, we'll bring in an external auditor – do the same thing to us that we did to you. So the activities, whenever you select a vendor, is the same in any organization that has sourcing or procurement. We will issue an RFP to audit vendors. There's going to be a deadline. There's going to be proposal delivery due dates. We're going to have Q&A back and forth with them to answer all their questions – what we do, how we do it. They need to understand (organization) so they can build the right team.

Once that's in place, once the questions are answered, we'll then evaluate the vendors. We'll use score carding methodology, just like we did with our existing vendor that's supporting us on the audit program. We will select the right vendor for the audit. We anticipate starting that process the first trimester of 2014 I guess is the way it's – yeah. So basically July we'll start that process.

By January we have an anticipated start date for that vendor to begin their audit. They're going to follow their methodology, not ours. Their methodology is normally in line with what I've shown you today in terms of the phases, in terms of the approach with the registrars and registries, but they'll follow their methodology and by March, hopefully the end of March, they'll complete their audit. They'll complete their audit of the control framework that we've designed and we've worked on and then they reviewed and provided comments on and then we'll go through remediation efforts with them April through June of 2014.

Again, these go through the same phases. There's no difference between the phases that we worked with you on. We'll do internally as an internal audit and they will do as an external audit partner to go in and review us. Those results will be made public.

So I'm going to turn it over to Maguy real quick.

MAGUY SERAD:

So this concludes our presentation and we allowed about 45 minutes until 12:30 for Q&A. So as you come to the mic – yeah, raise your hand – please identify yourself; and if you're representing a specific stakeholder group, let us know. State your question and then we'll address it.

STEVE METALITZ:

This is Steve Matalitz. I'm a member of the Intellectual Property Constituency. Thank you for this detailed presentation. This is very, very interesting and there's a lot of data there.

I had a question really about in the audit. You showed a slide that had the 10 Most Common Deficiencies. I just wanted to make sure I understood that. So if you look at the second one, WHOIS free public search not found on website or redirect. So if I understand this right, in this first phase, 37% of the registrars that you were auditing, there wasn't any place on their website or that you could find that offered free public WHOIS search.

JACKS KHAWAJA:

That's exactly correct.

STEVE METALITZ: Okay. And then it was reduced to zero, which meant when you mentioned this to them, they fixed the problem.

JACKS KHAWAJA: That's correct.

STEVE METALITZ: Okay. So at the end of that – and this was, I think it was between March 8th and March 27th, so that was quite quick. Now as of March 27th and all the registrars were in compliance on that point, do you then go back to check that later? What is the follow up on that to make sure that they're still in compliance.

JACKS KHAWAJA: Good question. That's actually the process. So we'll go back a few months later and verify. Can everyone hear me? Okay. It's funny, standing up here, you can't hear yourself. But anyway, regardless.

So to answer your question, yes, we go back and verify because just because they fix something now, doesn't mean the issue wouldn't exist in the future. So we always go through that process. In addition, the other thing we'll do is things that are noted in an audit report that raise special concern to us we'll require spot audits. We'll always do that, regardless of this audit program. It's just the nature of contractual compliance in any organization. That should hopefully gain comfort in the community that we are doing what we should be doing in terms of looking at these provisions. So that's what you're seeing here.

STEVE METALITZ: Okay. And just to follow up on that. Since everybody fixed that problem – let’s assume that was the only deficiency for a particular registrar, just for example. Or the others they fixed too. So then they get their clean report letter at the end. They’re in that slide that says “no deficiencies.”

JACKS KHAWAJA: That’s only after they cure all deficiencies within—

STEVE METALITZ: Right.

JACKS KHAWAJA: Yes.

STEVE METALITZ: Okay. But then you’re saying you still go back and check that even for the ones that have received a clean report. Is there some type of protocol for doing that? I didn’t see any mention of that in the slide, so I just wonder, how do you do that?

JACKS KHAWAJA: It’s spot auditing. We certainly can’t go back to 317 registrars and hope everyone understands that. We’ll do spot auditing to verify whether or not registrars are still complying with their provisions. That’s going to be a normal basis for this program. It’s just going to be engrained in what we do going forward. So there will be requests through the year that may be outside of the audit program that involve that type of activity.

STEVE METALITZ: And then just finally on this, again taking that example, 37% strikes me as kind of a big number of registrars that were initially not in compliance. If you get that when you do the next sample – 370 or however many there are – are you going to be comparing that number, and if it's still 37%, does that trigger some other action as far as educating registrars about this?

JACKS KHAWAJA: I would certainly hope based on the results we showed here today that they learned from what we did. Obviously these are only ten of the things we're looking at. There are 37 more, actually, because there are 47 different test steps. I'm not going to show them all.

But the important thing is this should be a learning curve for those that haven't been audited. We will always go back and verify different points to make sure that they're always in compliance, but we certainly won't go through 317 again in one shot.

STEVE METALITZ: Thank you.

JACKS KHAWAJA: You're welcome.

MAGUY SERAD: So let me just, for clarity for the entire audience, when we run what we call the audit program, it has a beginning and an end date and we issue an official report based on the results to Steve's point and Jacks'

clarification, spot audits happen and we follow contractual compliance process for follow up and follow through.

Based on the results also, this is where as I spoke earlier. You've got the prevention team who will follow through on what we call outreach activities based on the areas that will need to be addressed. Volker?

VOLKER GREIMANN:

Hello, Volker Greimann, Registrar Stakeholder Group. I would like to clarify one point about Jacks' answer which is unintentionally misleading here. When you say that in 37.1% of the registrars, the WHOIS was not found, that does not necessarily mean that there was a problem that needed to be fixed. When you say that it has been fixed by the registrar, that is not quite correct. In many cases, you just fail to look in the right place, and when we point it out, we were one of those 37.1% and we just needed to point out where you find that. And after that, the deficiency was also corrected because it wasn't a deficiency.

JACKS KHAWAJA:

That's absolutely correct. So, oftentimes, if I was a registrant looking for WHOIS, I would've noted it as a deficiency, because as a registrant, I wouldn't have been able to find it easily. There were cases where, in Volker's case, since he brought it up, his wasn't a location which we easily couldn't find. And because of that, he informed us, he took a screenshot of it, we went and re-verified and it was there and we updated the report.

Unfortunately, the report – the statistics themselves show the very first result, which is the audit report that was issued to Volker and other

people. But many cases, this was the case where the WHOIS wasn't found. And because of that, we worked with the registrars to get it back into place. Thank you.

MAGUY SERAD: So before we go to the next audience question, do we have anymore participate questions. Two to one, guys. Is that fair?

OWEN SMIGELSKI: This is Owen Smigelski for the record. I have a two-part question from Desiree Boxberger of Aplus.net. Question for Maguy. Who has requested bulk access and what mechanisms can ICANN put in place to monitor and prevent abuse. What information was gathered to deem this a necessary tool to provide the community with bulk?

MAGUY SERAD: So, Owen, who is requesting bulk access? Is that what I heard? Okay. And what's the next question?

OWEN SMIGELSKI: Who has requested bulk access and what mechanisms will ICANN put in place to monitor and prevent abuse?

MAGUY SERAD: Sure. Hello, Desiree. Thanks for joining us remotely. So some of you may already know bulk access was in existence a few years back. It was deployed for a user and it was only put in beta phase. When we came on board and we did an analysis – an assessment – of contractual

compliance state of the tools, the processes and the people, that was identified when we were evaluating the tools. It was like an orphan child sitting out there not integrated in anything and it was just bombarding with thousands of complaints to the registrars. No follow up, no follow through, no validation.

So we put a road map for our – and I’m (inaudible) the long way because it’s important for everybody to understand the history, because that will address the who. So we suspended contractual compliance with the support – I was reporting at the time to John Jeffrey – supported us in the decision to suspend the tool in order for us to implement a road map that’s going to apply to the entire ICANN community with quality work and consistent processes to be followed. It was suspended in August.

During that analysis we had received requests from members from the SSAC community and different e-mails. I have them in a folder. I’m sorry, Desiree, I do not remember who. But we denied access to the tool. I personally sent e-mails to those requesters saying, “Sorry, we will not give you access to bulk because it’s not working as it is. We already have one dissatisfied user and hundreds of dissatisfied registrars because we’re bombarding them with complaints. They’re not validated or complaints. They’re just coming without process.” So we have a list of those.

But to address the more important question, it’s not about who. It’s about how we’re going to proceed. Bulk, as I stated in my presentation, is a whole different approach to submitting complaints. I personally also have not seen a bulk complaint of this nature. So we really need to

proceed with it very carefully because, as you heard Jacks say, we're going to be subjecting ourselves to an internal audit too. So we're putting ourselves in front of the entire community. How do we run our operations? So we're making sure that not only how we're running our operations, but how we're impacting the contracted parties' operations.

So a framework has to be put in place with rules and guidelines. People who are signing up for bulk, unlike submitting a complaint today, you can go and decline to be noted as who you are when you're submitting a single complaint. We will know who's submitting a complaint in bulk. It has to be reviewed. They have to fill out a process again. It's all being developed. If there will be an authentication, there will be a validation and there will be a process that we're going to be sharing with our contracted parties as part of our outreach activity to ensure that what we are bringing to them is going to be able to be processed and delivered by them, because they're also held accountable to you all to provide responses to those complaints.

So a process is going to be designed, collaborated, with our contracted parties, reviews feedback like we did with the audit program. And then we bring it to the community to share with you what it is and how it will work. So, Desiree, I hope I answered your question. If not, let Owen know and we'll go to the floor please.

SHERI FALCO:

Hello. Sheri Falco with ICM Registry. I was just curious. You had mentioned, when you spoke about the auditing of the registries, I think what you referred to was that you did an algorithmic sort of audit in that regard, which sounded different than what you had done for the

registrars. You had sort of a multi-point process in that regard. And I just was wondering if you could speak a little bit more about your registry auditing process and algorithms.

JACKS KHAWAJA: Can you hear me?

SHERI FALCO: Yes.

JACKS KHAWAJA: Okay. So for the registries, we requested several files from them – an incremental and a full file, as well as a zone file. And in order to crunch through terabytes of data – and I literally mean terabytes – and to compare the name server, for instance, against the information for a domain from a zone file to a data escrow file, we had to run some algorithms through random sampling and so on and so forth.

For the data escrow file itself, we were looking at key elements that were required in their registry agreement and their data escrow specifications. There are four different elements within the contract.

We looked at, for instance, the contact element, whether or not those fields were populated per the contract and we ran a program to indicate which gaps existed. So those are the types of algorithms that I'm talking about. We had taken that data, put it in the (inaudible) databases and ran a bunch of calculations on them and then reported the results.

SHERI FALCO:

Okay, thanks.

JONATHAN ZUCK:

Suddenly, it's a hot potato. The microphone's a hot potato. That's the first time that's ever happened. Jonathan Zuck from the Association for Competitive Technology. I actually want to follow up a little bit on Steve Metalitz's question from earlier. I think the way to think about this is that, as part of the audit process, there ought to be a self-audit process of the organization itself, right?

So when you have a set of statistics and you do another audit and you compare those statistics, it should give you an indication about whether or not the things that are happening along the way are making the improvements you'd like to see.

So you're saying you what you would hope people would learn is probably not the answer I think Steve was after, but instead setting some benchmarks that "Well, it was 37%. That seems high. My goal is the next time there's an audit that that number is 15%," and then compare the new number to that goal of 15% would be a way to really suggest whether or not we're doing the right things to prevent these things in the first place. I think that's what Steve was getting at.

I don't want to put words in his mouth, but I'd love across the board to see things like that where now that there's this data, which I'm really excited about, because remember when I first met Maguy and she admitted, I'm sure she's regretted it ever since saying that there was some Outlook e-mails that was the database for the Compliance department, and as a software developer that freaked me out no end.

So this is all very exciting news and I don't want to, in any way, diminish this. I just think the very next step is now that we have a foundation of data to set some objectives for the next set of data and then manage those objectives.

JACKS KHAWAJA:

That's a really good point. So just so that everyone knows, when we first launched the audit program, we had three outreach sessions in September. We did an RFI survey. We're going to do audit surveys at the end of this one. And then we will benchmark from year one to year two. We'll also do another outreach session to inform them – the new registrars – of what's going to occur.

When you see the results – the statistical results – going from year to year and you see, like you said, 37% or whatever number you quoted, we will provide a better understanding in terms of the reporting when we report. It will help, hopefully – when I say hopefully, take action when they see these things.

On the outreach sessions, we've held outreach sessions – multiple outreach sessions. We held one in Toronto and we went over what specifically we were going to look at. We published the audit report with the (test stats) with all the evidence that we were planning on looking at and this is the result. For year two, we will provide any outreach session that we need to in order to help them understand that this is what we're looking at.

MAGUY SERAD: Jonathan, I think also coming from the Consumer Metrics and Trust Working Group, what I heard you say is we want to be able to baseline and measure progress from year to year on all of those data. Correct?

JONATHAN ZUCK: That’s right. But I think it’s not just a reporting function. It’s not just something you look back on – “Oh, look, this got better,” or “Oh, this didn’t get better.” What I would love is now that there is a benchmark to see objectives in place.

MAGUY SERAD: Yes.

JONATHAN ZUCK: So that a year from now when it’s re-measured, the outcome can be compared to those objectives. That’s more what I’m getting at. It’s not a best efforts thing, which I take for granted you’re doing. These outreach programs, etc., I’ve never questioned anybody’s work ethic and willingness to try and improve the situation. But the reality is that now that you have a benchmark, the objective should be to improve it and I think there should be some concrete objective set now – not a year from now – as to what it is you think could be accomplished with this data over the course of the next year.

MAGUY SERAD: One second, please. Let me see. Do we have a remote? We said two to one. Okay.

TOM GALVIN: Hi, Tom Galvin with Digital Citizens Alliance. How are you? I wanted to ask a different angle on the WHOIS question. Does ICANN periodically do audits or checks on the WHOIS accuracy of the individual domain registrations? And I'll ask a follow-up question based on the answer.

JACKS KHAWAJA: We do not check accuracy of WHOIS. What we do check is whether or not the fields are being populated per the contract.

TOM GALVIN: So it would like there would be some benefit if you're trying to measure compliance from the registrar standpoint. Has that ever been considered? I'm just curious as to why not.

MAGUY SERAD: So one thing – what we do is within our contractual scope. The contractual scope in that space for WHOIS inaccuracies. And again, I'm not a lawyer, businesswoman. But our approach is based on the contract scope which states that when we receive WHOIS inaccuracies we have to send those complaints to their contracted party to take the reasonable steps to investigate and correct.

There are hundreds of interpretations out there. It depends on which angle you're looking at it. From a compliance perspective, we do very simplified fact-based. It states two action verbs. Investigate and correct. The simple formula is, what are the steps you took, Mr. or Mrs. Registrar, to correct and can you provide us the facts to support it?

Now, the WHOIS Review Team, it's important to mention that, because one of their recommendations – I think, Steve, you asked that question yesterday in the IPC Constituency Meeting – asked about the WHOIS inaccuracy effort that the WHOIS Review Team recommended.

That effort is going to be looked at as a project by a different area within our organization. But it will be a strong handshake with Contractual Compliance. Based on the findings and the project that we'll launch, we will need to enforce. So we'll have to put together what it is and how it's going to work. I don't have further details on that.

TOM GALVIN: Okay, thank you.

MATT SERLIN: Hi, Maguy. Hi, Jacks. Matt Serlin. I'm the chair of the Registrar Stakeholder Group. I've got a couple thoughts. Just to pick up on Steve's point – and Maguy, you might have mentioned it and I apologize if I wasn't paying attention. In terms of the outreach that you're planning on doing for registrars that were not included in this, not just in ICANN meetings, but I'm just curious, what other kind of forums and outreach you're planning on doing as a preemptive measure to give registrars a heads up of, "Hey, these are the majority of issues that we saw in the last audit. Just as a heads up, these might be things that, as a registrar, you'd want to proactively look at, address, things like that."

MAGUY SERAD:

Thank you, Matt. So we've heard Jacks say – and outreach is used in so many different ways in ICANN. From a Contractual Compliance perspective, we spoke of outreach sessions with the current audit – year one audit – registrars and registries.

So what we plan on doing – there are two types of outreach. We focus on the current selected ones to give them a result because we do, as you know, Pulse surveys at each phase of the audit. So we focus only on the audience that was selected for this year to give them the outcome of the survey, but also to make sure we are taking their feedback properly. That's one scope of outreach.

For the upcoming registrars and registry audits – because we still have year two and we have year three. So what we are thinking about – it's in the planning phase, because that's not coming until October/November – is to open what we call an outreach for the rest of the contracted parties to join us, to clarify what is the audit program about similar to what we did I think in – was it Prague? – when we held a session. What's coming? How do you do that? How can you prepare for it? Where to go look for information on the website? And the outreach is both focused not only on the contracted party to be able to be ready, but also on the community, to levels set on the expectation from that audit. Did I answer your question?

MATT SERLIN:

Yeah. It does. I think the only thing that I'd add to that is I think it would be beneficial to include some of the information that you're sharing with the community here just so that if I'm a registrar who's going to be audited either year two or year three, I've got some kind of an

understanding of what my colleagues have seen, gone through, things like that. So that would be the only thing that I'd add to that.

JACKS KHAWAJA:

Let me add something to that. Just so you know, in June we plan on publishing the statistics and the results. That should be very helpful. And let's back up a little bit. So in Toronto, last year's ICANN meeting, we held a session to go over what we were going to look at, to inform all parties. It wasn't just the 317 that were selected, but all registrars and registries.

This time we have results. We can say, "Look, this is what we've seen. We have data now. This is what we've seen. This is what we'd like to see improved." That kind of communication (inaudible) in an ICANN meeting and most likely in the outreach sessions as well.

MATT SERLIN:

Yeah. Right. A couple more things, sorry. Just let me publicly give you guys kudos for the way in which I think the audit was handled, which I generally think was positive. So Jacks and Maguy, appreciate the work and the effort that went into it, the communication we've had and the issues that we've identified. Moving forward, I think, like we talked about the other day. So publicly thank you for that.

Switching gears a little bit, and I'd be remiss if I didn't, in terms of bulk access, the only thing that I would – yeah, Jacks you can sit down for that one. Good call. No, you're fine. The podium provides you with a little bit of cover.

The only thing that I would add onto what you said – and this is a repetition of what we said the other day in the stakeholder group meeting – is that we firmly believe that there should be some notion of a term of service which, if violated, would result in suspension and termination of a party’s ability to process requests in bulk. That’s the only point that I want to make on that, and we’ll continue to drive that home. Thank you.

MAGUY SERAD;

And I would like to add to Matt’s statement because many of you may not have been in the registrar stakeholder meeting. Again, a few months back, part of continuous improvement is improving on the complaints that we receive. It’s like garbage in, garbage out, right?

So thanks to the registrar stakeholder group, we’ve asked them to give us that professional courtesy. Instead of just screaming at us, we’re sending them bad complaints, tell us why it’s bad, where it’s bad and then we will work with the reporter or the complainant to take action.

So we did that manually. We did outreach directly with the reporters to say to them, “This complaint is not valid and here is why. We will not forward your complaint unless you either tell us it’s truly valid and how is it valid.”

So the same with bulk. But for those single complaints today, when we have done the outreach, there were a couple of submitters there and we continued doing outreach and the message was not clear. We stopped that complaint from going forward to our registrar. So we have

stopped and suspended complaints going to a registrar because it's everybody's responsibility to submit valid complaints.

So we suspended those usually for a month. But if we see a repeat offender, then we also will stop it. So we are all responsible to take action on invalid or improper reports and that will apply – Matt, I don't know where you disappeared to in the audience. (MICHELE NEYLON), be nice. See, Matt? (There's Michele)for you.

So, yes. And as I stated earlier, when I was providing the update, the framework, we have to build it together. We have to communicate it and make sure it's clear to everyone.

JOSEPH YEE:

Hi. Joseph Yee from Afiliias (inaudible) registry. On the year two registry, the cross-reference checking, where you say you have four scopes, you mentioned (content) is one of them. Can you elaborate what exactly you check out of content?

JACKS KHAWAJA:

It's actually stated in your agreement. So if you go to your data escrow, it's based on that. So if you follow on the right data elements within your data escrow specifications, those are the things we look for.

JOSEPH YEE:

And how long do you retain the data? Usually (inaudible) audit only checks maybe (inaudible) the last seven years, especially in escrow. Usually, what? They change so much (daily basis).

JACKS KHAWAJA: So let me address that. So we published an FAQ. It's actually on our site. And what it states is our retention plan for the audit. For the audit, once the audit report is issued, the data's retained for six months, then destroyed. So the audit program itself follows its own records retention plan. Does that make sense? And that goes for registrars and registries. The data's gone. Once six months has passed, we destroy the data. Unless there's a registrar with significant issues and they're still going through remediation. So once they full remediate it, we'll retain it for six months after that and destroy it.

JOSEPH YEE: Thank you.

MICHELE NEYLON: Hi, Maguy. How are you?

MAGUY SERAD: I'm doing well, thank you.

MICHELE NEYLON: Good. It's nice to see you've got the statistics and everything else. A couple of things I suppose. On the reporting side, this morning I was greeted with an actual nice little compliance, so I'm really happy today. Joke's aside, I actually did get one. But over something silly.

It's good we've got statistics. It's good that you're able to pull things out from that. Speaking to Steve's query there about checking on the

WHOIS, I know from our own experience for us as registrars, other registrars who have dysfunctional broken WHOIS causes us issues as well. So we do report to you. I've reported to (inaudible) several instances in the past, and it's not because I've got nothing better to do all day. It's because I cannot transfer a domain to my accreditation if I cannot access WHOIS data. It's that simple.

One thing which I am a little bit concerned about is with respect to communications and outreach. Sure, you want to find me, you want to find Matt Serlin. I know you have to kind of go looking because he's kind of down there low and everything else. But beyond his vertically-challenged problems, those of us who come to ICANN meetings, (you can) contact us easily. But there's a lot of registrars who don't turn up, who don't show up and going through an entire three-year process, great. You might be going to hit some low-hanging fruit. Registrars who have absolutely no interest in complying with anything. And fine. And I'm glad to see them gone.

But there are other registrars who probably aren't aware of some of their obligations or may have misunderstood them. I'd like to know what plans you have – I mean, tangible plans – to do proper outreach to them. This week here in Beijing, you had a session specifically for Asia-Pacific registrars and there were three registrars there. Two of them were European. So, I mean, that's not exactly what I would consider to be a –give me a diplomatic word, please Maguy.

MAGUY SERAD:

It's not you to be diplomatic, (MICHELE NEYLON).

MICHELE NEYLON: I'm trying my best, Maguy. I'm working on being diplomatic. This might be the calm before the storm.

MAGUY SERAD: You see, if you're not picking on me, you're picking on Matt. So it's either M or M. So pick a choose.

MICHELE NEYLON: Well, (inaudible) that.

MAGUY SERAD: No, please say it. Again, say it with respect.

MICHELE NEYLON: That's a bit of a disaster, in fairness. We know from the statistics you guys have given us over the last couple of years that a very, very large percentage or proportion or whatever way you want to look at it of the complaints you get involve registrars in the Asia-Pacific region.

If you go to the (OpSec) community and you talk to them, you talk to law enforcement and even talk to the IPC, a lot of the complaints they have involve domains that are registered through Asia-Pacific registrars.

Now the thing is this. For those of us who feel that we're trying our best to be good citizens and do stuff in a not particularly nasty way, we end up getting beaten up by the community for things that we have absolutely no responsibility for, no visibility over; and yet when there is

an opportunity for you guys to do this outreach, it seems to have failed. I just want to know what plans do you have to deal with that in the future? Thanks.

MAGUY SERAD: I was hoping the registrar stakeholder group was telling you how you're doing to get them on board. [laughs]

MICHELE NEYLON: Maguy, this is something which – look, if you guys can work with us on this – I mean, at our meeting yesterday we were talking about trying to increase our numbers. I don't have the exact –

MAGUY SERAD: I know. We've talked about that, Matt and I. But let me address your specific questions, if I may.

MICHELE NEYLON: Sure.

MAGUY SERAD: Thank you. It's not just about Asia-Pacific. The challenge is larger. We have registrars today all over the world, globally, and they're not all part of the registrar stakeholder group, which is usually our means to communicate when we come to ICANN meetings, and that became obvious from many meetings ago.

So what we've been trying to do to give you tangible examples. The fact that we are in Asia-Pacific, we have held specific meetings with specific Asia registrars in closed doors, because again, it's about confidentiality. It's about collaboration. I personally speak and write three languages, even though sometimes English gets messed up for me, and I found out that there is not only a question of translation challenge, but there's a cultural nuances understanding the whole big picture together.

So our Asia-Pacific dialogue this week has been very productive and there is a different level of communication and collaboration. It's one success story with many more to come.

Another approach we're trying to do is, as you've heard me present and update earlier, the monthly updates when we started doing them were only in English. What we started doing now is publishing them in all six UN languages that ICANN provides today for the ICANN community. That is published.

Another thing we're doing is also taking to everybody's point earlier, baseline or not, how are you focusing on addressing specific problems? We're doing that either at a regional level – and if you go to our website, you will see under the outreach session where we've held outreach session with Asia-Pacific and we had about 32 registrar participations from registrars from Asia-Pacific.

So we're trying to do the push, which I call the push mechanism. Pushing monthly update, pushing through the e-mail. We don't only now communicate to the Registrar Stakeholder Group. We use, through our counterparts at ICANN, the Registrar Liaison Team distribution list that reaches every registrar.

So we push information to everyone. We're pushing information on the website. It will be – hopefully we're able to within the next trimester. We've got additional staff members focused on specific outreach activities that are really critical for the success of everyone, not just compliance, because we are seeing and hearing problems.

To Michele's point, we have registrars reporting issues to us too. So we're looking at all that stuff and we hope by ICANN 57 I can provide you more information on some of that outreach outcomes – without providing names, again, but providing specific sessions or specific activities that took place.

MICHELE NEYLON: Thanks, Maguy, and I also appreciate the confidentiality. It's something that I did pound you on in – where the hell was that?

UNIDENTIFIED MALE: Toronto.

MICHELE NEYLON: Was that Toronto or Prague? I get confused. Look, we go from one place to another. The rooms all look the same. Now, the confidentiality I think is something that people really need, and I personally appreciate it. I mean, if you've got a problem with my registrar, I want to address it, but I don't want you shoving it up on the ICANN website. Now, if I don't fix it, yeah, work away. Go for it. But if you just publish first and then tell me afterwards, I'd be very, very – what's the word I'm looking for, Maguy?

MAGUY SERAD: Not again, Michele. I'm not your dictionary.

MICHELE NEYLON: Upset. Thank you, Maguy.

MAGUY SERAD: But again, guys, by fairness – Singapore was my first ICANN meeting and it was a wow. Still ICANN meetings are a wow. It's amazing to be present amongst each and every one of you. We're still passionate as a department. I'm blessed to work with amazing team of people. But we all have to work together to be able to make the next steps, and I really appreciate the collaboration. I think Matt and Michele said thank you to us earlier.

But I want to thank you guys, because you know when we bombard with notices, now everybody understands the process. Everybody. Not just the contracted parties. I sat with the IPC yesterday. All I have to do is show up (for session). Not that slide again. Everybody sings to the same song now. You sit with law enforcement. Law enforcement understands the process also. So it's really, really good that we have that process because we will honor that process, and that's the structure we committed to each and every one of you, because you provided that input into the process. Thank you. Next?

(WILFORD RUBER): My name is (Wilford Ruber) and I have been on the RT4. My background is not really in the names business, but in the numbers business, and I do have a little bit of background in these reviews and (inaudible). As

has been mentioned here quite correctly, the RT4 was asking for sort of statistical data baselines – metrics – to get a handle on whether this effort that we have been asking you to do, whether this has any positive impact and that’s actually what I want to come back to.

As you have shown this nice bar graph, it was the I think 95% blue bar at the very left hand side and the 30-whatever. The first procedural question would be, how are you going to statistically pick your victims or your targets for the years two or three? In particular, are you going to exclude those parties that have been audited during the first round?

JACKS KHAWAJA:

As communicated to the registrars and the registries in Toronto, I’ll re-communicate this. We do a random selection by IANA number. What happens is once that IANA number is selected for year one, it’s excluded from year two in the population. So that’s the random sampling process.

(WILFORD RUBER):

Okay, yeah. I was expecting that, but just wanting to make sure because this leads to my second question, and the second question is that I have heard some expectations that the effect of these various rounds would be to see lower bars for the following years. I am not really convinced that this is going to be the case, because interpretation of statistics always requires you to understand sort of what the reality was behind those statistics.

And my expectation would be if we have seen in year one that almost two-thirds of the targets have failed one of those tests and more than

one-third has failed a second test, I would expect that all the remaining parties that you haven't touched yet would have very similar problems.

So if you exclude the first set from the sampling in year two and three, I'm not convinced that we are going to see these bars to become smaller, unless you take those one or two – or maybe three top-most – problems and actively work with the whole community to get those issues resolved.

JACKS KHAWAJA:

Let me address that. You're talking about it from a statistical standpoint and that makes sense what you're saying. I think with education and outreach, those numbers would reduce in year two. Obviously there is no guarantee. We believe – me and Maguy have had many discussions on this is if you had education and outreach and you inform the contracted parties of what you're going to look at, they would prepare for the future of the audit. That's why we published the Audit Program and initially where we publish the whole plan.

Obviously again, we can't guess what the statistics are. We can only baseline. We can track the variances and we can try to educate those areas where we found gaps.

(WILFORD RUBER):

Yeah, okay. Thanks.

MAGUY SERAD:

May I add one more comment to what Jacks said?

(WILFORD RUBER):

Of course.

MAGUY SERAD:

What we are finding – again, it’s a new. It had never been done in a contractual compliance at ICANN. When we launched it, we developed a strategy, communicated, got input into it, then implemented it. Like anything else, bottom-up, multi-stakeholder.

So what we’re finding out now is that we have registrars who have not been selected in year one who are reaching out. What can I do to prepare? What should I be doing? What should I be...? Can you look at this for me? Right?

And when we are also looking at some of the complaints that we receive and we try to, in the dialogue – part of the process, the first step is to send an e-mail. The second step is an e-mail in addition to a phone call. So our staff on the phone call informs the contracted parties. It’s true you’re dealing with one complaint, but you should be also looking at it from a big picture. The whole package, not just a complaint focus.

So you see that the approach is not just from a compliance perspective, from a contracted parties perspective. It doesn’t mean everybody’s going to do it, but I think based on what we are seeing within our department on year one, you saw the chart. The blue and the red. The collaboration. Some of it was done without knowing it was being done, some of it we could not find it, and some of it was legit. But the idea of the collaboration, the idea we’re publishing data with every monthly update you can go on our website. There is something about the audit.

So people are hearing about it. People know we are here. People know we are doing it. And people know that if you do not collaborate, you're going to get terminated.

(WILFORD RUBER):

Okay. So what you are saying is that this community is not exclusively working on push technology, but there is some subset of entities doing the pull technology in the sense of sort of checking what's up. The only thing I wanted to make sure is if we fail to see a significant shrinkage of those top one, or two or three bars, this is not necessarily your failure, but this may be sort of partly related to the way you are doing the statistical selection and that sort of thing. Thank you.

MAGUY SERAD:

And as many of you may know, we communicated – when we put the three-year plan, which I stopped showing too because many people say, “Why do you keep showing us that slide?” We've reached that bridge into the third year. It's continuous improvement. It's lessons learned. We do that at every phase of the audit, and you heard Jacks report earlier some improvement.

But even at the end of the three-year program or at the end of the first year, at the end of the second. We have to revisit what's wrong or what can be improved and we have to make decisions and move forward. It's not the (inaudible) crunch data. You are correct.

STEPHAN:

Hello, my name is Stephan (inaudible). I'm with the German registrar. I have come to the microphone with two points. The first one is bulk complaints. I know that this process is still under construction and I want to know whether you have in mind that these bulk complaints should have some common basis. So I could imagine that if somebody brings up a bulk complaint with different domains, different points of complaints, it could be very difficult for registrars to clear this up all in a certain time.

If it's a bulk complaint, for example, that there is a bunch of domains with always the same registrant and the dater of this registrant don't seem to be right, there is a common similarity. Are you thinking about something like this for a bulk complaint, or is it virtually open?

MAGUY SERAD:

So Stephan, thank you for your question. If I may, table addressing this specific question because we're designing the solution now. I'd like to make sure that we take a step back, collaborate like we talked about. The bulk complaint that used to exist was specific to WHOIS inaccuracy on one complaint type and submitting it in bulk. That's the approach we are taking now, by complaint type. But I don't have the details of the specifics you're asking for.

But may I ask you, please, through your stakeholder group, as we talked yesterday, we're going to have calls, we're going to have communications. Input of that nature is really important because it will drive not just the design of the solution but the quality of the solution and how it's been approached. But most importantly, it will help us

communicate it properly to ICANN – public ICANN – so everybody knows what’s coming out of there.

So please, document what you are talking about and let’s have that – either send it as an e-mail or hold it until we get together and discuss some of the designs and the solutioning.

STEPHAN:

Okay, thank you. I will do this. And the second point I want to bring up is I don’t know whether it’s already in place. We have not been targeted in the first round, so we’re still expecting to be audited. I am thinking about when this happens, and I have seen with the new gTLDs there’s been large telephone conferences where data are given and information is given to all the interested parties.

Is there already in place something like a telephone conference for the picked registrars – let’s say at the beginning of this audit – to kind of clarify questions for everybody, which certainly will come up? If not, I think this is a good idea. It just takes a few hours and everybody should be fairly happy after this.

JACKS KHAWAJA:

That was the process in year one where we held three outreach sessions to registrars and registries – to all registrars and registries who were interested. That was in September. Then in October, we held a session in Toronto to give detail, take questions and answers from new gTLDs, registries, and registrars and then we conducted the audit in November. So we’ve held those sessions and the audit plans published so you can

see the exact steps that we audited. Now we'll do the same process going forward.

STEPHAN: I'm not thinking of something in advance, but if the questions are already out to the audited registrars, if there would be some kind of telephone conference, because I think most of these registrars might have the same problems and they are answered in one set. It's clear then and it could give some confidence.

JACKS KHAWAJA: There's actually an FAQ on that right now and it's published on our site, ICANN.org under the Compliance link where there were questions and there were answers. And we're going to reevaluate the process and make sure that we update it with further questions and answers to give you a better guidance.

MAGUY SERAD: But Stephan, if I may answer your question directly, there will be a conference call for the year two. We did that for year one. So in addition, whether or not we have a conference call set up, if you have a question, send us an e-mail and we will schedule it. I know in the past we had done an outreach on the year one and the registrar stakeholder chair, Matt, contacted me directly and said, "Maguy, we need one more session. Can you schedule?"

So we didn't schedule one because we know the time zones across the world. We didn't want people waking up and all this. We set two and we had – yeah, we had three.

UNIDENTIFIED MALE: There were three, but at different times.

MAGUY SERAD: Right. So if you miss one, we'll try our best to accommodate, but we will communicate in advance the sessions directly with the contracted parties for that year whether it's year two or year three. But if you have any questions, let us know.

And to Jacks' point, guys, the plan, the strategy, is all published and in order for us to really baseline, we need to do an apple-to-apple comparison meaning we're not changing gear every year. We're going to stick to the same plan, same methodology, unless some statistical analysis at the end of year one say, "Oh, stop, something's wrong."

So our website is all up-to-date with all the information, and if you have any further questions, there are links to e-mails you can contact us on. Thank you, Stephan.

TOM GALVIN: Tom Galvin again with Digital Citizens and I think I stand between lunch so I'll be fast. ICANN has a commitment to consumer choice to competition and to consumer trust, but generally the focus has been on competition and on choice primarily because of who engages with ICANN.

Can you talk a little bit about what ICANN intends to do to measure consumer trust in what metrics and efforts you're taking?

MAGUY SERAD: I'm sorry, I did not hear your name.

TOM GALVIN: Oh, Tom Galvin.

MAGUY SERAD: Tom. Thank you, Tom.

TOM GALVIN: Sure.

MAGUY SERAD: I think – I have one of the board members and I met her – there's Judith. Consumer trust, it's a very strong, strong word. Trust is earned, right? One of the things when I came on board is realize as a team we didn't have a vision for us. Why are we here?

We know there are contracts we need to deliver and enforce. After Singapore, it became clear that there are multiple interests out there. I don't have to tell you guys. All you have to do is listen to the public forum and you hear the different inputs from different areas.

And it quickly realized that we are working across all the stakeholders providing a specific service to the ICANN community called Contractual Compliance, and in order for Contractual Compliance to really deliver

that service, we needed to earn the trust. So I just want to tell you where I'm going with this.

TOM GALVIN: Sure.

MAGUY SERAD: Our vision is to become a trusted Contractual Compliance service provider. And how do we get there is through what you're hearing us do and say. We said we put a three-year plan that we're going to improve on our tools, processes, and people. We have built processes, published them. We're consolidating tools. We're delivering to what we said we're going to do and, like the tab on myICANN, even though it's static it's going to be real-time.

Trust is earned through the transparency, but also through enforcement because we have to enforce the contract. So we are – again, the team, it's not completed, but that's what we're working towards. And like I said, trust is earned. This audience is not quiet. They will always let us know.

TOM GALVIN: But correct me if I'm wrong. I think within the Affirmation of Commitments, consumer trust meant consumer trust on the Internet, not necessarily consumer trust on ICANN. I'm just curious to know whether or not there's metrics and efforts being taken to measure what consumer trust is in the Internet and what steps are being taken to increase that.

MAGUY SERAD:

I think that's through the Working Group. Jonathan, you and Barry are sitting there. But I'm sorry, can I just say, for a time check, it is 12:32. We want to stay in compliance. You may take it offline, Jonathan and Barry lead that effort and they have – we're part of that Working Group and we're working towards providing those metrics and definitions.

But the only thing – I want to close this session by saying thank you very much for your trust in us delivering to the three-year plan. Your feedback is always welcome. So thanks for joining our session and have a great rest of the week.