

BEIJING – Welcome Ceremony and Presidents Opening Session

Monday, April 08, 2013 – 09:00 to 10:30

ICANN – Beijing, People’s Republic of China

Ladies and gentlemen, once again, if you would be kind enough to take your seats we'll be starting our program in just a moment. Please find your seats. Thank you.

Ladies and gentlemen, there are headsets outside, actually at the doors. We will have presentations in Chinese this morning. If you need a headset, please pick them up. They're at the table by the door. Thank you.

All those who speak Chinese, there's headsets by the door. If you need headsets, please go to the table by the door to get a headset. Thank you.

Once again, ladies and gentlemen, please find your seats. We're going to start momentarily. And the speeches will be scribed on the screens for those of you who can read in English. Thank you.

Good morning, ladies and gentlemen. I'd like to introduce chair of the ICANN board Steve Crocker.

[ Applause ]

DR. STEPHEN D. CROCKER:       What an honor. It's absolutely fantastic to be here. It's my privilege to open ICANN 46 in Beijing. ICANN is now about 15 years old, which is very old in Internet time. And yet relatively young in the overall development of the Internet which goes back to early experiments that started about 45 years ago. I want to briefly -- and I promise it will be brief -- cover a handful of points, but first I want to thank our hosts, China Internet Network and Information Center, CNNIC, China Organizational Name Administration Center, CONAC, Internet Society of China, and Mr. Shang Bing, vice minister of industry and information technology, and you will hear from him and from several other very important people during the course of this thankfully not too long opening ceremony.

---

*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.*

---

I've had the privilege by -- mostly by good fortune and accident to be involved in the Internet activities from its earliest days, and I come from a technical background and the technology is very absorbing, very interesting, but it is the impact on people that is the even stronger source of satisfaction. One of the peculiar interesting little side effects of developing the network over time is to watch the creation of new slogans. It seems every time there is the next phase we have to have another slogan to go with it. And ICANN has its own slogan these days, one world, one Internet. The very first slogan formed around the table of about a half a dozen people was, networks bring people together. And indeed that has been the enduring theme here. As we've watched the enormous growth and penetration of the Internet, the involvement of evermore people, it is the effect of bringing people together that has driven the economy, has driven the culture, and has driven the enjoyment of building and promulgating the Internet.

Today in China we're told that the penetration rate, the usage, has grown enormously. The figures from 2002 were 4.2% or 59 million people. A decade later increased ten-fold, 42% or 564 million people. Three quarters are mobile users, and as is natural throughout the whole world, the younger generation are the largest users of the Internet and here making up 30% of all users.

The ICANN meetings move from location to location around the world, partly to make it easy for people to be involved. Partly so that the people who are intimately involved in the interior of ICANN get the exposure of meeting and working with people around the world. This meeting is the largest, you will hear this again I'm sure from Fadi. This is largest meeting we've ever had, and it is largest in two different and important ways. I'm told 1,900 people have come from outside of China and 700 people from China itself are here. These are very big numbers from our history. I think the total which is now 2,600 was previously had a high of around 2,000. So this is not by just a little bit but by a significant amount. And so on behalf of ICANN and on behalf of the Internet community at large, I want to thank you all for the enormous support and for the participation and so I --

---

[ Applause ]

Let me talk a little bit about themes, overarching themes for ICANN. You will hear, you have heard, you will continue to hear quite a bit about generic top-level domains. It is a very big effort and it is absorbing a considerable fraction of our attention and our resources. And so it is necessarily one of our themes. But it is not the totality of what we're about. From a broader perspective we're in the very important phase of moving from our early stages of just trying to get organized and get going to developing into a more stable and more solid form of operation. We are building strength. We are trying to build trust and work with others and support the community and find a comfortable place in the entire Internet ecosystem. At the same time, we are focused very much on our internal organization where we're trying to develop not only accountability and transparency but also efficiency and effectiveness. So one of the things that you will see, and it's the less interesting, less newsworthy but nonetheless extremely important from my perspective, thrusts of our activity is to stabilize for the long term, to develop -- to continue to develop our tradition of openness and inclusiveness, and to develop financial stability, long-term planning, and predictability. In many respects we'd like ICANN to become less interesting. Meanwhile, I can't get away without talking about the gTLD program. The pace has quickened. We are moving very rapidly. You are seeing announcements every week and in some cases multiple times per week of significant events during the program. The first batches of strings have been announced that have made it through the evaluation process and this is continuing at a steady pace. You will hear a lot more about that. And it will have a significant impact, not only on ICANN of course but on the whole community. The top-level domains, which were relatively stable for a long time, will now expand several fold and we will see experiments with new business models, with new forms of use of domain names and I am not here to tell you how that's going to turn out. I am very much just another observer.

One of the important things in this whole program, which not only is part of the generic top-level domains but the general top-level domains which include country codes, is to shift from the use to have Latin

---

characters, A, B, C, for domain names into a broader set of characters, what we call internationalized domain names, that is names in other scripts, particularly of course including both simplified and traditional Chinese characters but also including many other scripts around the world, Cyrillic, Arabic, a number of Indian scripts, and so on. This will have two effects that almost go in opposite directions. It will of course, as is intended, broaden the accessibility of the Domain Name System to a much larger fraction of the world and it will also pose some barriers as there will be communities that will understand some but not the other and so we will have more bridges to build and more hurdles to cross as we progress. Nonetheless, this is absolutely an important step and it will serve to put another fraction, another portion of the Internet on a global basis instead of the original regional basis, if you will, of the U.S. and western countries.

I mentioned the broad themes of -- for ICANN, of organizational efficiency, long-term predictability, financial stability, and so forth. We are also making incremental, small adjustments as we go along, but one of the biggest of these sort of -- smallest might not be the best term but we're fortunate to have in Fadi Chehade a CEO who sees the value of helping the industry mature itself and of helping ICANN mature itself so that we will be in a qualitatively improved state over the next few years.

Of course, one of the biggest things which I've alluded to earlier is that we want to make sure that we are understood and accepted as serving in the public interest, not for any of the narrow interests that are of course part of what drives the economy of the Internet.

Other adjustments that we're making, and this is more of a -- sort of the local business to share with you this morning, you will see on Thursday that we've made some changes to the way we operate the public forum. There will be -- there's a streamlining and organization to it and a very strong attempt for more direct engagement. We have also made a point of having a -- our board meeting in public and putting essentially all of the business that is ready at this time in front of the whole community. It is basically ordinary business of the kind that we carry out regularly throughout the year but we've taken to heart the message

that the community wants to see the board in action. In keeping with what I've said before, we've worked very hard to make it as uninteresting and as boring as possible, which reflects actually getting the hard work of sorting out the issues, debating things, getting every -- all of our ducks lined up ahead of time so that by the time it comes to the board, the board is not in the position of having to invent policy or invent procedures even and it is the -- the end of an orderly process. And as part of that sort of thinking, we have taken note that the operation we have of the new gTLD committee, which is empowered to make decisions on behalf of the board in order to make an extremely sharp separation with respect to all matters of conflict of interest, that we want that part of our operation to similarly be as visible as possible. You will see in the future, not quite yet but in the future, agendas published, reports made public, and to the extent that it's appropriate, the operation of that committee in public as well.

That's the end of my opening remarks here. I will get out of the way so that you can have more important and more informative talks. It is a very, very exciting meeting here. It's a full week. The scheduling process is incredibly dense and complicated.

I'd like to turn the podium over to Mr. Shang Bing.

[ Applause ]

MR. SHANG BING:

Guests and ladies and gentlemen. Good morning. I'm happy to be here at the 46th ICANN meeting.

First, please allow me to, on behalf of the Minister of Industry and Information, to show my warmest congratulations and my warmest welcome to all the distinguished guests.

As one of the most significant of the 20th century, the Internet has become the key infrastructure for the development in the information age.

They have (indiscernible) deep, deep construction of the people's lives. And in the 11 years of the Chinese, they have the great changes here. They have all the infrastructure and they have more users and Web site. Technology has become more active, and they have more diversified with more legal and more policy improvement.

Until the 2012, we have 564 million users, and 42.1% of the people using Internet, and we have DNS for 13 million and also our IPv4 address is number two and IPv6 is number three. And we have seven Internet companies that fed into the first 30, top 30 in the world. Also, our e-commerce has reached \$7 billion. In that sense, we can say the infrastructure has been there.

If look at the future, China will continue to push forward, making it industrialized, informationalized, urbanization, and agriculture. And all this will provide a precious opportunity for the Internet.

As the monitoring company, our ministry will have to use the broad China strategy, and we will have to -- we will try to build the next generation infrastructures and will support the new technology and also the application in the economic society.

And we will have to have the high-level, more driving information consumer hot spot. And we will improve all the monitoring, the security, the user rights and fair and honest market environment, and to supply the security and stability. Time Internet is part of the global Internet.

Our government has promoted and encouraged this into the international cooperation. Now we participate in the ICN, ISOC, IAB, IETF, W3C, AP in IT and FIRST.

Also we send our representative to attend WSIS, IGF, and other international or regional meetings.

We have promote with the events country, with their bilateral communication. We learn from their success and we apply them to our practice in our Internet development.

---

Therefore, with the international collaboration, we have reduced the distance between our Internet society and the overseas, and we have promote the global Internet.

We appreciate that ICANN has technology coordinating -- coordinization. It has been very pivotal and positive in terms of the global Internet key resources. And our different departments in China, we have attended very many different activities within ICANN, including new gTLD, DNS and accountability and transparency.

Then Dr. Lee from the CAS has been the vice president of ICANN for the last year, and last year he is the bridge of understanding and trust. And also he is instrumental in increasing the ICANN for knowledge within Chinese community for Internet.

And at this point, the dot CN has reached 7.5 million, it's number seven, and within China we have 24 registry with 40 new gTLD, and it's the number one IDN.

And to make the security and stability of those DSDNSs, our gTLD will have more DNSSEC implemented. In the later part, Chinese government and the Internet will continue to have communication with ICANN and communication.

At this time I have this opportunity to have two suggestions. One is ICANN will show more support to the developing country and non-English speaking country and to have their Internet community have a bigger roles in ICANN and have more tolerance development.

On the other hand, we hope ICANN will have more accountability and transparency, and to look more into governments' ideas and suggestions in the public policy, and to make sure that the developing country and the support, help, and also make people to have more trust on their stability and security.

Guests and friends, Internet is the most fast developing, and most competitive and most innovative area.

---

ICANN's meeting here will provide a very good platform for all the different Internet societies, and also we have also all the friends here, not only here have a brainstorm and also gave us suggestions.

Finally, we like to thank CNNIC, ISC, CONAC, and all the folks involved, including their help, their preparation, their hard work.

We hope Steve Fadi, and all the friends have a great time in Beijing and I wish great success of this meeting.

Thanks.

[ Applause ]

DR. STEPHEN D. CROCKER:

That was excellent.

Thank you very much.

I have to say, it is very heartwarming to hear about the involvement in the multiple international forums related to the Internet: W3C, Internet society, the IETF, and of course ICANN, and others.

And I also was very pleased to hear about the support for DNSSEC and the signing of the several Chinese domain names. This is good, and we will watch eagerly for the detailed news in each of these areas going forward.

I also listened closely to the calls for greater support from ICANN for the developing countries, both for their capacity development, but also for their involvement in our processes and for better communication.

This is a very active topic, one of our great concerns. It is not new, so I didn't mention it as in terms of a shift. It is a continuing theme, which we take quite seriously, too.

It's my pleasure to introduce our CEO, Fadi Chehade. He has been -- he has made quite an impact in the short time that he has been on board.



It is hard to keep track, but it has been just barely over six months, and he has made an incredible difference.

Fadi.

[ Applause ]

MR. FADI CHEHADE:

Minister Bing, thank you very much for your words. Minister Feng, thank you for welcoming us here to China. Very happy to see you again, Madam Hu. And certainly meeting for the first time today Mr. Lee from the Academy of Sciences. Thank you for being with us today.

Your Excellencies, our guests, the ICANN community, welcome to Beijing. It's good to be here.

[ Applause ]

I want to start, obviously, by thanking our great sponsors, who not only made all this possible -- CNNIC and CONAC and the Internet Society of China -- but also welcomed me and many of my team members here in China a few weeks ago.

And I must tell you the great feeling of being in China can only be described in maybe one word. It's a vibrant place. It's a vibrant place. And you feel it. When you come to China, everything is vibrant. The people are vibrant. The plans that we heard directly from the ministers are very vibrant!

There is tremendous movement forward in China. And I felt this when I came here a few weeks ago. And all of you must be feeling it now, being here and enjoying, as I am, this feeling of this great place.

And of course we all mention the numbers. 564 million Internet users. Just in the last year, they've added over 40 million new Internet users. The numbers are staggering.

---

But I want us to not only focus on the numbers. I think we should focus on where they're going. Because China is going to be a central part of where the Internet community, as we know it, is heading.

And, therefore, in my clear discussions with the local responsible ministers, that from ICANN's standpoint, engagement with China is not an option. It is not an option. If we do not engage with China at every level of our community, we, frankly, lose a part of our global legitimacy.

We must, and we will. And that's why we're here today, with the great numbers that we have shared with you. More than 2500 people! This is the largest meeting in ICANN's history. It's happening right now.

So I am delighted by that.

I will speak to many of you at length in the next hour here, so I will conclude on one important note.

There are many organizations on this planet that do different things. But having been, now, part of this great ICANN community for six months, I must tell you something. We have something that is very unique. I would like to call it our magical ingredient. It's what makes us special, what makes us unique and different. And that's the fact that no matter what, we keep each other to this bottom-up multistakeholder model. That is what makes us who we are.

And I am very clear, having learned this myself over the last few months, that if we lose this, we lose everything.

Everyone can hold big meetings. Everyone can set up great technical standards, but very few can claim to do this from the bottom, always in a multistakeholder fashion. That is our magical ingredient.

[ Applause ]

So in front of all of you, I personally renew my commitment to that. And I ask all of us to keep watch on each other, as you have done with me, so we keep that important ingredient the center of who we are.

Welcome to China, and I hope you have a great meeting.

---

Thank you.

[ Applause ]

And it is my great honor now to welcome to the podium the Vice Minister Wang Feng who has welcomed me with very open arms when I came to China a few weeks ago, and he is responsible for the State Commission Office for Public Sector Reform, a very important office in China.

We welcome him. And, please, Mr. Feng.

[ Applause ]

MR. WANG FENG:

Good morning. Today I'm honored to have the opportunity to attend the 46th ICANN meeting on behalf of Chinese Internet Network Information Center, CNNIC; China Organizational Name Administration Center, CONAC; and Internet Society of China, ISC.

I would like to give my most sincere and warmest welcome to all friends and ICANN officials that have come from afar.

[ Applause ]

The birth of the Internet is an important milestone marking the entrance of human society into the information age, an important symbol of social civilization and important link closely connecting people from around the world.

Together with ICANN, global Internet communities, governments, and related interest groups all made contributions in pushing forward the development of the Internet.

Recently, ICANN has been continually increasing its transparency, strengthening its service function, especially the service to non-English communities.

These are all fine measures helping ICANN better engage in Asia-Pacific regions -- in particular, China -- and we would like to express our heartfelt welcome on this. All these internationalized moves made by ICANN have effectively inspired enthusiasm of the Chinese Internet community to participate in ICANN's sub-organizations; to support ICANN activities; and to count tribute to ICANN-related affairs.

We are glad to see that in this round of new gTLD program, there are 74 Chinese TLD applications which amounts to more than 70% of all IDN applications, and the Chinese Internet community has become the largest non-Latin supporting community for ICANN.

Just as Mr. Xi Jinping, the newly elected Chinese president, has repeatedly mentioned, the Chinese people are not endeavoring on the Chinese dream of realizing the great revival of the Chinese nation and are concentrating on economic, political, cultural, social, and ecological civilization development.

People from around the globe also have the global dream of everlasting peace and common prosperity.

The Internet has facilitated communication and interaction between people, communities and countries.

In this information age, the realization of the Chinese dream and global dream all rely on the vigorous boost of various advanced technologies.

The overall number of Chinese netizens has reached 564 million, which amounts to almost one-fourth of the global Internet users, and is undoubtedly the world's biggest Internet user community.

Along with Chinese's Internet development, China's Internet companies started to enthusiastically participate in international Internet affairs, including promoting Internationalized Domain Names and taking part in the formation of international Internet technical standards and rules.

However, compared with the large number of end users, the Chinese community participation in ICANN is far from enough due to barriers such as language and knowledge background.

---

The Chinese Internet community still could not contribute to ICANN in all areas effectively.

The host actively pushing forward the Chinese Internet community participation in ICANN in various ways. The host also expects ICANN will further deepen its local support and service, long term and stable communication mechanism with local communities.

The Chinese Internet market is vast and prosperous, and I firmly believe that Chinese Internet community and ICANN still have a broad space for cooperation.

The 46st ICANN meeting held in Beijing is a ripe reflection of the deepened cooperation and expand common ground between ICANN and the Chinese Internet community, CNNIC, CONAC, and the ISC.

I'm sure that our efforts in the success of this meeting will be your unforgettably wonderful memory.

Last but not least, I wish the 46th ICANN meeting a complete success, and all of you honored guests a great time in Beijing.

I hope you could take this opportunity to further explore Beijing and understand China. Thank you.

[Applause]

MR. FADI CHEHADE:

Okay. We have a little surprise announcement for you.

Many of you have heard in the last few weeks that, as part of our globalization and internationalization strategy, we plan to change the posture of ICANN from an organization that is largely operated from the U.S. so that we can have a new posture, a posture that embraces the world. And so we will be taking the core ICANN operations and bringing them to the world as we have committed.

So last week we have confirmed that we're moving forward with the provision of hubs in Singapore to serve the Asia Pacific region and in

---

Istanbul to serve Europe, the Middle East and Africa, as well as our hub in Los Angeles serving the north and south of America.

These are very important changes in ICANN and ones that follow through on our commitment in Toronto to start changing the center of gravity of ICANN and to bring it to the world.

[Applause]

And, as I have committed to all of you, not only will we -- we will be building teams in these hubs, but also many of the leadership team of ICANN will be in these hubs, including myself. I will be for the first year rotating, living across the hubs with my family so we can give the message that we are going to the world.

[Applause]

And, in this spirit, around these three hubs, we plan to establish many local engagement centers. And these are important so we can get even closer to our stakeholders in each region. And so I am happy today to announce that we will have our first engagement center, besides the hub, in Asia.

And for this, I would like to first invite our distinguished guests. So Mr. Bing, if you could please come on stage on behalf of the Chinese government; Madam Hu, please, on behalf of the Chinese Internet Community, please come up; Mr. Shi on behalf of the Chinese Academy of Sciences; Mr. Huang on behalf of CNNIC; of course, our own Dr. Xiaodong Lee please come up; and from our team, I'd like Dr. Steve Crocker and Sally Costerton, the head of our global engagement, please come on up, please.

[Applause]

So today we're announcing the first engagement center of ICANN in Asia, and it will be in Beijing!

[Applause]

Madam Hu Qiheng, if I could ask you to come up and make some remarks about our new office on behalf of CNNIC, if you'd like. Madam Hu Qiheng, if you'd like to come up and make some -- madam.

Now, we will be hosted with CNNIC. They were very gracious to invite us. So we asked Madam Hu to just share a few words. And, for those who don't know her, Madam Hu is truly in many ways the heart of the Internet Society in China. She has been here from the beginning, and she's still here. And she has -- when I talked earlier about the vibrancy of China, when I met her, I saw that in her very vividly. So please welcome Madam Hu.

[Applause]

MADAM HU QIHENG:

Good morning, everyone. I have the chance to speak a few words, especially to ICANN conference that already made a breakthrough in number of participants.

So and also made a breakthrough in this opening ceremony. And I enjoy so much how Mr. Fadi Chehade has said the ICANN will change its posture as to embrace the whole world. And I'm so delighted that ICANN starts to embrace the world starting from embracing Asia, from embracing China. Thank you so much.

[Applause]

Now please let me switch into Chinese. I'm real happy to be able to participate in the 46th ICANN meeting. And I want to represent the Chinese CNNIC and Chinese ISC to welcome everyone. And I had the honor to be the first one to participate in the unveiling ceremony. And I want to congratulate warmly and of the ceremony. And also I want to -- I want to thank and the Chinese CAS and all these facilities and entities for their support to this event. And also I want to express my warm gratitude to Lee Xiaodong and being -- acting being a bridge. And also for the establishment of the Beijing office. And I want to thank him. And, as I recall, back in 2000, I participated in a meeting regarding the

Internet meeting in Shanghai. And now the great major change has been happening in China by the year 2012. And the 5-point -- 560 billion users in China have already established. And every 6 people and one of them is a Internet user.

And the 70 thousand billion of manager of the money has been made from the Internet. And not only the registry amount has been increasing. And also we have -- we have established the control mechanism under phishing and spam. And also we have a lot of policies development, which is good for the development of the Chinese Internet. And also the Chinese government has been involved in the new gTLD. The first round we have 40 applicants. So, in the near future, I'm sure we'll have a lot of participants into this new gTLD.

And so especially with the global change and the global Internet and the resource allocation.

And we have cooperated with ICANN in the last -- in the past years and with the human resource and then all the technology exchange, we've had a pleasant cooperation. And I have witnessed today with gladness that the first corporate office is established in Beijing. And I wanted to express my warm welcome to the opening to this office. And this is a bridge to ICANN and China, which will enable to the better promotion of the Internet using in China. And the Chinese Internet Society would love to use this platform to contribute greatly to the Internet progress and development. And in April Beijing is spring and is vibrant.

And I believe in the basis of respecting equally and respecting each other. And then the cooperation between China and ICANN will bear good fruits and one world, one Internet. Our Internet future will be brilliant.

And in the end I want to congratulate the establishment of this Beijing office of ICANN, which will be supporting to the Internet development. And also I want to express my gratitude to all the entities, institutions, and all parties involved in supporting the development of Chinese Internet future. Thank you.



---

[Applause]

MR. FADI CHEHADE:

Thank you, madam. Thank you.

With this we conclude the official part of the opening ceremony. We will just thank our guests. And for those of you who are here, please wait because we're going to get into some detail about ICANN and its operations. So give us just a minute to thank our guests.

[Applause]

Some of our guests will be staying with us, so that's even better. So okay. This is the working part, as you all know. And I like to take off my jacket, because we get to move a little bit around this podium.

Let me start, if I could have my slides, please.

When we started, back in Toronto, we called it a new season. I have learned now, through working with all of you, that it's really our season right now. It's really our season.

And during this season that I think is about to -- is -- we're in the middle of -- and I think it's beginning of a season that will last probably from now until we get to Buenos Aires -- we are going into a phase of -- I need my clicker, please. I need my clicker. We're going to go into a phase where we need to focus on the foundations of ICANN, on the enablement of ICANN.

Right now we believe that ICANN needs enablement at the process level, at the people level, and certainly at the systems level. And we've been working on that.

During this enablement season, as I shared with you in Toronto, we will get the ground ready for the growth to come after that.

And we have done some very good things in the last six months. So let me walk you through some of the enablement we have done. Let's start with our goals and objectives. This is the slide I showed you in Toronto

---

where I told you these are our four key objectives. And under them we outlined 16 goals. This was at the beginning of our journey together. We then committed to you that we will take all of these and translate them into a series of portfolios, programs, and projects that start taking everything we do at ICANN and putting it into a system. We have done that. And the work has led to 56 portfolios, 116 programs, and nearly 500 different projects occurring into ICANN. All of this was designed and structured into a new system.

Now, if you go today to the site called MyICANN.org, you will have for the first time visibility into that system. Let me show you.

So, if you go to the site today, you will see the same objectives, goals, portfolios, and programs. You can go to -- down and look at each of them. You will see the status of the various components of that. You'll know what's at risk, what's in trouble. If you go into each of these areas, you'll see the owners. And this is the exact status of what's happening inside of ICANN in realtime. Okay?

So, if we, for example, look at Akram's area, he seems to be having a lot of things in trouble. You'll be getting some calls, Akram. But, if you look into, for example, his IANA operations, in realtime it shows you the projects under that, the status of these projects.

You'll get -- if you want information about Elise's business excellence initiative, you can go into that. You'll find that -- it's timeline. You'll find out the details behind it. And this is just the beginning.

We're going to give you visibility, because that's your work. It's your projects. You need to know what's happening inside ICANN in realtime.

We did the same thing on compliance. Until today getting data on our compliance is not always easy. If I want to see, for example, how many complaints are now in the system per notification cycle in realtime, you'll see that data. And this is across the board for all the areas of this department.

---

This is new. And this is not just slides. This is actually linked to the applications we've built in the last six months and moved all of our work into them and managed all of our work, all of your work in a way that is structured, that is trackable so that we can all succeed together.

I want to give thanks to the incredible work that our team has put to make that happen. It was a collective effort. Every function in ICANN is in the MyProjects section. Everything we do, including refilling the coffee in our coffee machines. Everything is in there.

And now we're tying the budget and we're tying the HR system at the systemic level into this. So now we don't even need to ask someone what are his goals or her goals for the next quarter. It will be picked out of the system, and it will be in the HR system. And that's how we will work. Everything is now aligned inside ICANN from a structural and system standpoint.

Now, since we have so many people, I'll take the chance to remind you what is myICANN. MyICANN is the tool we introduced in Toronto that allows you to go look at topics by topic and get information. Everything happening across all of the ICANN world is inside this area. You can look at calendars so you can track everything going on at ICANN in realtime, and you can transfer these calendars into your own calendar. So these are important advances in the way we display and we share information with you. And we hope many of you use it. And, by the way, we have now thousands of registered users on MyICANN, because you could register and then get alerts realtime into your inbox.

Just before I leave this page, I want to share with you that, because we're moving very fast, at the moment, this project's view is giving you a view that is cut on a monthly basis on the first of the month. By Durban it will become realtime. So by Durban, when you go into that system, you will be realtime seeing what we're doing at that moment. And it will stay this way moving forward.

Back to the slides, if I could. So what this does is it gives us the three things we committed to do in Toronto. It gives us agility. Because we now can see things and be able to adjust them as we go.

---

It certainly gives us accountability.

I open every meeting at ICANN by looking into this data. And all of our leaders and executives start their meetings by looking at that data. This is how we manage ICANN. This is where it starts. This is how we keep things on track. This is what we promised you, and we're moving forward with it.

Of course, visibility is critical. We agreed with you that we are all one community. I have learned this over the last six months. ICANN is not the staff. We are ICANN. So you have to see what we see and help us improve. Full visibility to everything we do.

The next thing we talked about, if you recall, is the changing of the structure of the posture of ICANN from the presence and functional standpoint. This is the graph I showed you in Toronto. And we talked about looking at global responsibilities and local responsibilities. We have refined that model since then, and it now looks a little bit like this. What we've discovered is that a lot of our global functions, instead of dividing them locally across the world, we will divide them across these three hubs I mentioned to you. So these will be distributed. Our legal department will be partly in Los Angeles, partly in Singapore, partly in Istanbul. Our compliance department will be distributed. We are putting a very difficult freeze, as best we can, on hiring in L.A. so that we can start shifting our posture and our presence to the other hubs as fast as we can.

So I want to be clear. These hubs are not what you'd call typical engagement centers or offices. These hubs are ICANN's core. Every department will be distributed across these hubs. And, as I said, many of our leaders will also move to these hubs.

Now, Sally, our head of stakeholder engagement, will have the engagement functions which span the industry, the governments, and our community. These engagement functions will be localized. So, when we talk about an engagement center in Beijing, this is -- these are the functions that will be here. So we can go to the stakeholders, to the government, to the industry, and bring them into -- as Minister Bing

---

said, bring them into the ICANN structures through our engagement capabilities.

Now, a couple of notable things on this slide. We have announced yesterday -- and that's thanks to a lot of bottom-up feedback that I received -- that it is time for ICANN to get a chief technology officer. And we have announced the job on our Web site yesterday. And we will be adding this important role. Frankly, we have had many years without a CTO at ICANN. And it's time we have a leader in that area that supports us. And that job is now posted. And I hope we will fill it by the time we get to Durban.

We also have -- we'll be announcing tomorrow that we're bringing on board a new head of strategic communications. He will report to Sally, and he starts in mid May. And this will take the whole communications function and globalize it across the world.

So very pleased to also announce this addition.

Now, I didn't plan to show you the slides to just talk about people. I want to show you what we're doing to make the processes behind these structures much more scalable. So let me take an example. I'm going to focus a little bit on an area that's maybe a little bit important to many of you these days -- the gTLD services area. So, if I go into that department, one of the first things we did was to build a structure for the whole gTLD area, which we needed in order to serve all of you better.

The first thing we did is to create a new DNS industry engagement office. And we hired a new vice president, Cyrus Namazi, who is here with us today. And Cyrus will be owning all the relationships with our new gTLD partners. Then in the middle we built a service department, a service operations department that is, obviously, responsible for all the policy implementation and the service delivery to the gTLDs.

And, finally, we're building a true proper support function that helps people come on board and supports them.

Now, if I go in a little more detail inside Christine Willett's operations area, we've broken that down into functional areas. Each of these areas have been defined. We've put behind each of these areas all the necessary processes, all the necessary tools so that we can make these areas scalable. So, for example, let me take transition to delegation as an example. When you go behind that, you can see all the details of how this area works, what are the processes. They're documented. They're repeatable. They're trackable. They're monitored. We're doing this across ICANN. That's what I wanted to share with you on the area of structuring.

So yes, it is our season to enable ICANN. And enabling ICANN is taking three things. First, our people. Building a new culture, a culture that is agile, a culture that is adaptive, a culture that is global. Secondly, maturing our organization, as you saw, with the processes and the structure that allow us to scale it on a global level. And, lastly, building the systems. Without these systems, the dream of three hubs is not going to be feasible. Because, if a compliance person takes a case and then goes to sleep in Istanbul and then the stakeholder calls the next morning and the time zone gets answered in Singapore, if they don't know what happened, if we don't have the systems to do that, it will not work. So we're deploying a true CRM system, a true trouble ticketing system. This is happening as we speak. We've selected the system, and it's being configured and deployed. And we will finally have the ability for stakeholders to have their trouble tickets and their calls into ICANN logged and visible through MyICANN. And you'll know the progress of your communications with us. And that is all in motion right now.

But, as I note on this slide, this will take time. Right now, I want you to know that, even though we started in Toronto, we're still halfway through this. And it will probably take us at the earliest later this year in Buenos Aires to start getting to the point where our enablement is getting there. So we can build a new ICANN, an ICANN that serves the world and is also scalable.

[Applause]

---

It's also our season to engage. And many of you have followed my blogs, my travels, our team's activities around the world. Because we committed that we will go out to the world. We will not ask the world to come to ICANN. And this we had to do by action, not just by talking. So we went out and spent time around the world. And many things have happened in the last six months. I'm going to touch on a few.

The thing I'm most proud of are the bottom-up retail strategies I'm proud of. This, to me, is what ICANN is truly all about. We started in Africa, if you remember, from the Prague meeting. And we built a team of people that encompasses all of the key stakeholders in Africa. And not only have they come up with a strategy that we presented to you in Toronto. They've been implementing it.

I went to the first implementation in Addis Ababa. It was a workshop to help new registrars understand how to become good scalable registrars. And there were 84 people, 85 people there spending days getting real support and growing and making the African community embrace the growing DNS sector. This is a success.

And I want to thank in front of all of us here both Pierre Dandjinou, who has jumped right into this and made it happen, our vice president for stakeholder engagement in South Africa. And, certainly, I want tonight thank Dr. Tarek Kamel and Sally Costerton for the great work that was done there. Where is Pierre. Is he here? If he's here, stand up. You deserve the thanks. Pierre, thank you.

And, similarly, the contagion started. So we went from Africa to the Middle East and to Latin America.

And, as you can see, we have started the same thing, bottom up in these places. Real deep strategies. For those of you who have not seen these, please go look for them on our Web site. Tremendous amount of work was put to understand how bottom-up, working with our partners, ISOC and the regional RIRs to figure out how to make this happen in these areas.

This is an example of what ICANN is best at. In less than six months we have regional strategies that are not only written but are activated in three parts of the world.

And I look forward to stand on this stage seeing our Asia Pacific strategy also start. So, as you know, having taken the gift we received and shared it back with China, our own Dr. Xiaodong Lee is now back. And he's the new CEO of CNNIC. But we are also with him working on selecting the new leader of Asia. And I'm happy to tell you that we're down to three candidates, and we will be announcing our new leader for Asia based in Singapore very shortly. This person will be responsible, as one of their first actions to do the same thing, to build a bottom-up Asia strategy that allows us to touch all aspects of the development of industry, our relationships with governments, our relationships with civil society, and all the parts that make our engagement complete in this region.

We also, in some of these countries that you see -- Brazil, Turkey, Russia and India -- we have started for the first time country strategies.

Now, I want to talk about these. And I hope we have people here from dot BR. Because one of the first things I did after Toronto -- in fact, the next day -- I got on a flight to Sao Paulo at the invitation of Glaser. Is Glaser here? Where is he? All the people from dot BR, please stand up so we recognize you. Please come on. Thank you for being here.

[Applause]

These guys were tremendous. They invited me down to Brazil. And I went there. And they said, "Come see. We have a multistakeholder environment here in Brazil."

I said, "Well, we do, too."

They said, "No, ours is special. You have to come see it." So I flew down to Sao Paulo. They invited me to attend a CGI. It's called CGI. If you don't know about it visit Cgi.br. It's an impressive way for a country to build a country level multistakeholder organization that guides the



---

country into the Internet policy as well as Internet development of their country. Governments, businesses, civil society, academics, all sit together, 21 of them. With governments having only 9 seats. They sit together, and they plan how they do this as a country. I was very impressed and very proud of the great effort they did there. So much so that I've been running around the world telling people here's an example. Here's an example of how a country at the country level embraced the multistakeholder model. And I can't announce it today. But just in the last few weeks I've visited some countries, and I already have news. One country changed their laws since I visited them to allow governments to sit on a nonprofit board and run the Internet in their country. They went to Cgi.br. They saw the model, and they loved it, and are moving forward with it. We'll be announcing in the weeks ahead. This is engagement. We're leaning into the communities that need to hear from ICANN. Let me talk about the international organizations. Many of you saw me speak at the WCIT. And this was not an easy decision.

ICANN's CEO, president, and chairman were there standing in front of the ITU community and sharing with them who we are. We could have, of course, said no, we're not going to go there. But we didn't. And, with Steve's leadership and the board's support, incredible support, we went. And we engaged, and it made a difference. It did make a difference.

And, in fact, today, as we speak, several of the countries at the WCIT that met us and engaged with us have now joined the GAC. And they're part of our Government Advisory Committee. And that's what engagement does.

[Applause]

We're also engaged with many of the ISTAR organizations. We always have been. And that engagement is central. I want to be clear on this, because I personally didn't get the depth of that. And I'm continuing to learn how important it is to understand that we have a responsibility, but we are part of an ecosystem. We're not alone. ICANN has a role.

---

ISOC has a role. The regional RIRs have a very important role. Our friends at W3C have a different role. We have shared responsibility for the multistakeholder model of Internet governance. And the better we work together, the more we coordinate our vision and share it with the world, the more we succeed. So I want to thank them and recognize them. And I'm hoping that, if they're here, to ask you to recognize them. Is the president of ISOC here? Is Lynn here in the room? And, if you are, don't be shy. Stand up, Lynn. We want to see you. Here she is. Okay.

And the CEOs of some of our Regional Internet Registries, are they here? If you're here, please stand up. We'd like to recognize you. Anyone from the Internet registries here? I saw Dale earlier, but he probably is not in the room. But they're here. And please recognize that we work with them very closely. We are partners. And I want the world to appreciate that it is through this shared responsibility that we will succeed.

Now, many of you have seen my blog in the last few months littered with meetings with business people. And they said, "Uh-oh, Fadi's business roots are taking over. That's what he knows what to do."

But let me explain something for you. We are in the middle of launching a program that has enormous implications on the DNS industry. And one of the key things we recognized is that the business framework, the legal framework, the global framework for how this industry is borne moving forward must be revised and done in partnership with industry. And so I've been meeting with the leaders of this industry, and it's been fantastic. I thought, frankly, that I would have to drag some of these people into doing some things in the public interest. And I must tell you, they're the ones pushing me forward. I am very impressed with how industry is responding to the new call for responsibility. And I think that, as the days here ahead of us come, you will hear some fantastic news. Some very good news. I know many of you have been hearing all the difficult news about how we're going to advance on many fronts. But let me tell you, in the middle of all of this,

there is tremendous goodwill. I have goodwill. And they have even more goodwill than I ever imagined they would.

One of the things we're discussing with them -- and this is a first -- is an ICANN community registrant's rights and responsibilities document. This is kind of a -- in American terms, a Bill of Rights for the registrant, giving the registrant his rights and responsibilities clearly written in understood language, not legal language that they can understand it. And it's part of the contract so that I can enforce it, because that is my responsibility.

So these are some of the things we discuss. And I must tell you, I did not even have to write the registrant's rights and responsibilities. The registrars did. And I want to really thank them because they rose to the opportunity to actually lift our industry into a new time, into a time of deep understanding that we represent something of value to the world. The public interest is at the heart of what we need to do. Business is good. Nothing against business, but we are in a unique place. And we must focus on the public interest. And that is great news for ICANN. It is great news for the users of the Internet around the world.

The last thing I want to say on our engagement is that engagement sometimes is difficult. Because it may look like we're going too far. I got an invitation to open -- be in the opening ceremony of the WTPF, which is coming up here in May. And, again, we go through the same discussion. Should we be there? My inclination is to be there and to lean in to every community willing to listen to our multistakeholder model.

[Applause]

So I look to hear from many of you. I'm here to listen. If you have different ideas on that, please let me know. But, from my perspective, leaning into the community is something I learned from my chairman and from Lynn. Leaning in to these folks and being there and sharing with them why what we do matters and why we want to work with them is the right way to go. So for those of you who will be there in May in Geneva, I look forward to see you.

So lastly, I want to talk about one last area. It's also our season to evolve. Now, evolving is not always the easiest subject to chat about. Advancing. Embracing new things. And so before I start talking to you about evolving, I invite you to watch this video that is now on MyICANN's front page.

[Video]

In 1998 the Internet was formed. The public Internet was in its youth. 4% of the world's population was online with half in the United States. There were 3 million Web sites and only 7 gTLDs.

Today 35% of the world's population is online with almost half in Asia. There are 635 million Web sites and over 1900 new applications for gTLDs.

In 1998 there were three RIRs servicing the entire planet and no ccNSO. Today there are five RIRs with Africa and Latin-America managing their own regions and 136 ccTLDs in the ccNSO spread across the world.

On a day like today, 144 billion e-mails are sent, 300 million photos are uploaded to Facebook, and 108,000 hours of video are uploaded to YouTube. More than

65% of those e-mails are spam. 50% of those Facebook users are mobile. And YouTube users watch 133 million hours of video per day.

But the story of the Internet is about more than just global growth. The Internet is a shared resource unlike anything the world has ever seen. It is the platform driving continuous change in everything it touches. How prepared is ICANN for the changes of today and tomorrow? Even if we focus on just a few of the environmental forces the Internet faces, the challenges are significant.

Mobile is the single biggest driver of Internet development and change with 6.7 billion mobile subscribers currently generating 13% of all Internet traffic.

By the end of 2013, there will be more mobile devices than people on the planet. What will this future look like?

Apps have completely changed the way we access content, from URLs to the click of an icon. In just six years, 45 billion apps have been downloaded. By 2018, app downloads are expected to reach 350 billion. In an app-centric world, how relevant will domain names be?

As an economic driver, the Internet is responsible for \$8 trillion in e-commerce transactions annually. In fact, in these 13 countries, Internet-related consumption and expenditures now exceed those in agriculture or energy.

The Internet of things will add exponentially to the number of devices and the amount of traffic. By 2020 as many as one trillion devices will be connected. Buildings, cars, people, animals, appliances -- everything imaginable.

Governments will continue to influence the evolution of the Internet. What will their role be? How might they control access and content? How might they monetize or tax the Internet?

The Internet of the future is vast. By 2020 its users will reach 5 billion, many of whom won't use Latin keyboards. How will ICANN's consensus-driven model scale to support such growth?

These are just a few of the significant changes and forces facing the Internet. What else should the community be thinking about? To prepare for an increasingly complex world, ICANN seeks your input towards clarifying its strategy and vision. In June 2013, a process will begin to create a new 5-year strategy. This timeline shows the key milestones. As always, the community will be engaged for input throughout the process. In fact, you can start right now. Please use the form below to share your thoughts. We look forward to collaborating with you in positioning ICANN to navigate the challenges of today and tomorrow.

[ Video ends ]

[ Applause ]

MR. FADI CHEHADE:

So as the video showed, we're now starting a process to think about where ICANN should go. And I invite all of you to participate. This is on the MyICANN Web site. By the way, the video is available there, not only in English but it's also in Chinese and in other languages. In Chinese it's even narrated in Chinese so we can invite all of the community, everyone, to participate. Please engage. Please let us know how you see ICANN evolving.

We have to know -- if I could have my slides again -- we have to know that ICANN cannot continue, as I said back in Prague, to be a fortress. The fortress model is not sustainable. And the silos within this fortress

---

are not sustainable. We have to break them. We have to change ICANN's posture. The winds of change are very powerful. They come because of users and socioeconomic changes. They come because of technological changes. Governments now need to have a different voice, maybe. I don't know. But the winds of change are surrounding us. The introduction of the new gTLDs changes completely how people acquire these names and how they use them. As the winds of change come at us, we must change. And in the belly of ICANN we have to have systems and processes and structures to actually deal with this growth.

So my vision of evolution is that we move to a world where we become truly an oasis of trust and confidence. People should come to ICANN and believe that here they can get their work done. They can get their questions answered. When they put a comment in a public comment period, they know what happened to it. Where did it go. How did we respond to it. We must get our act so that we can become a true place of confidence and of trust for the world. Open and inviting.

Now, as we go through this change, a lot of us get worried about what changes. Let me be very clear, crystal clear on this. From the inception of ICANN in '98 until today and moving forward to 2020 when the strategy will cover this period, why we are here is untouchable. What we do, the scope of what we do is untouchable. This is who we are. That doesn't change. How we do things needs to change. And so I want to make that distinction because often we get worried that the scope is expanding, who we are is expanding. That is our rock and it does not change. However, we have to look at new ways to do things. And today you saw some of the things we're introducing to do that. The how is very important. We introduced yesterday the concept of agile growth at ICANN, that not everything has to be developed in what we call a waterfall model. We can do things in parallel. We can move faster. We can together think of ways to develop policy faster, to implement programs faster. That's agile. Agile has transformed big companies. It has transformed how innovation happens. I am certain and I'm introducing these ways into ICANN so that we can also become agile.

---

Now, we can change everything about how we do things except one thing. So in the how, there is one thing that never changes. And that's the bottom-up multistakeholder model. So we can change everything. But we cannot change who we are and how we do things, multistakeholder bottom-up. That's our magical ingredient. And that's what gives us the legitimacy of doing what we do. So my commitment to you stands today, as I said earlier, this is ICANN. It's you. It's you. And I know that. All of us are in this mission together and you come first and your decisions bottom-up are the ones that drive ICANN forward.

So in conclusion, I just want to go back to where I left you in Toronto. Between now and Buenos Aires we will be in this first phase of enabling ICANN. If we do this well we can move into growing good things and into producing great fruit for ICANN. And I am confident that if we stay together, focused and never lose our magical ingredient, we will be building together a great season. So enjoy your week and I hope we have a great time together and learn a lot and advance.

[ Applause ]

Thank you, ladies and gentlemen. That completes our welcome ceremony. The next session in this room will begin at 12:15 and we look forward to seeing you come back. There is coffee break available to you in the -- excuse me, the next session starts at 11:00 and there is coffee break in the lobby area. Please enjoy. Thank you.