

Minutes of the IPC Meeting

Westin St Francis Hotel, San Francisco

15 March 2011

1 Attendees

Officers of the IPC:

J Scott Evans, President
Steve Metalitz, Vice President
Kristina Rosette & David Taylor, IPC GNSO Representatives
Stacey King, Secretary
Brian Winterfeldt, Treasurer

In Person

<u>Dan Trampedach</u>	<u>Neil Smith</u>	<u>Ravi Puri</u>
<u>Jannik Skou</u>	<u>Lisa Rosaya</u>	<u>Lira Samykbaeva</u>
<u>Isaac de Abreu</u>	<u>Joi White</u>	<u>Erin Vivion</u>
<u>Heather Forrest</u>	<u>Christopher Sheats</u>	<u>Jonathan Zuck</u>
<u>Mark Partridge</u>	<u>Luca Barbero</u>	<u>Martin Sutton</u>
<u>Kim Van Voorhis</u>	<u>Nathalie Dreyfus</u>	<u>Anne Aikman-Scalesa</u>
<u>John Slafsky</u>	<u>Lucas Vall</u>	<u>Paul McGrady</u>
<u>Petr Hostas</u>	<u>Yoshi Murakami</u>	<u>Brian Beckham</u>
<u>Tereza Bartoskova</u>	<u>Bruce MacPherson</u>	<u>Fionn O'Raghallaigh</u>
<u>Dennis Paul</u>	<u>Russell Pangborn</u>	<u>John McElwaine</u>
<u>Marc Trachtenberg</u>	<u>Kristine Dorrain</u>	<u>Christian Powell</u>
<u>Michael Adams</u>	<u>Colleen Askvig</u>	<u>Holly Ross</u>
<u>Victoria Carrington</u>	<u>Diana Arredondo</u>	<u>Laura Covington</u>
<u>Kristiaan Dehing</u>	<u>Martha L. Solorio</u>	<u>Cathy Gellis</u>
<u>Lance Martinez</u>	<u>Bridgett Benmosche</u>	<u>Phil Marano</u>
<u>Jim Prendergast</u>	<u>Constance Brown</u>	<u>Jim Bikoff</u>
<u>Maarten Simon</u>	<u>Brian Winterfeldt</u>	<u>Caroline Chicoine</u>
<u>Sieger Springer</u>	<u>Fred Feldman</u>	<u>Susan O'Neill</u>
<u>Lawrence Townsend</u>	<u>Gretchen Olive</u>	<u>Isabelle Fabian</u>
<u>Richard Schrerer</u>	<u>Hyesun Kim</u>	<u>Chris Ditico</u>
<u>Ken Taylor</u>	<u>Raj Abhyanker</u>	<u>Stephane Tronchon</u>
<u>Denise Yee</u>	<u>Scott Bain</u>	<u>Rick McMurtry</u>
<u>Joshua Jarvis</u>	<u>Laurie Anderson</u>	<u>Fabricio Vayra</u>
<u>Claudio DiGangi</u>	<u>Liz Oliner</u>	<u>Faisal Shah</u>
<u>Petter Rindforth</u>	<u>Vicky Sheckler</u>	<u>Matt Harper</u>
<u>Mohammd Thawabeh</u>	<u>Khalil Rasheed</u>	

Present via telephone:

Andy Combs

2 Minutes

Minutes were taken by Nick Wood who reminded attendees that any errors or omissions are his responsibility and should be reported to him. Nick.wood@comlaude.com.

3 Report from the ICANN Compliance Team

Stacy Burnette, Pam Little and Khalil Rasheed from the ICANN Compliance Department gave a presentation on the work of the department covering:

General Enforcement Actions

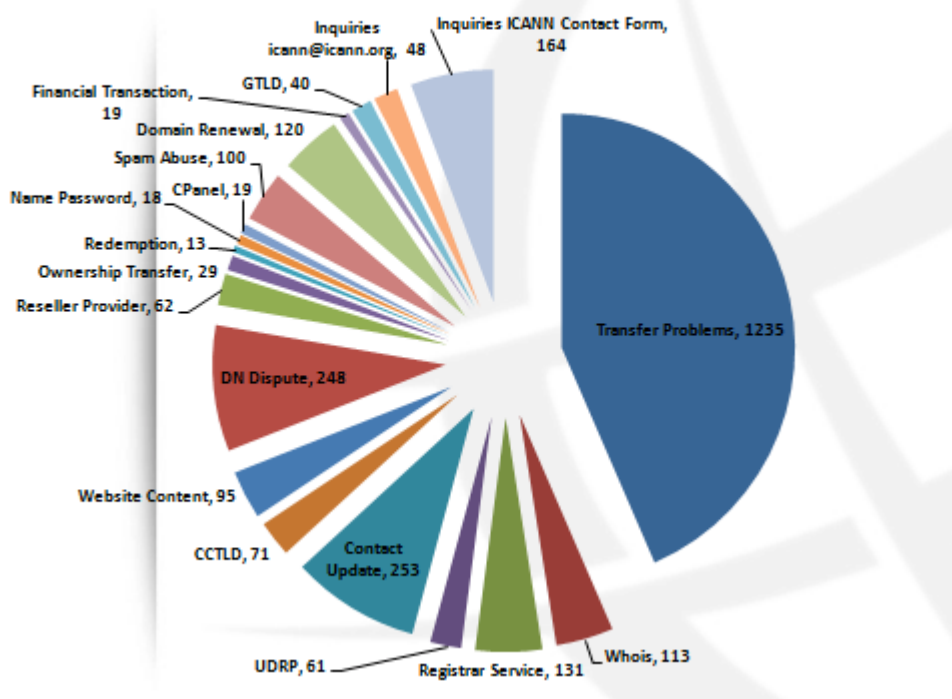
I. Non-renewals/Terminations and Breach Notices

Between January and March 2011, the Compliance Team has issued eight termination or breach notices as follows:

- 3 - Registrar Non-Renewals
- 1 - Registrar Termination
- 3 - Registrar Breach Notices
- 1 - Registry Breach Notice

II. Consumer Complaints

Consumer Complaint Analysis - December 2010 - February 2011
Total Complaints - 2,839



III. Other Compliance Notices/Efforts

Between December 2011 and March 2011, the Compliance Team sent 2,006 Compliance notices to registrars, of which 1,492 were in relation to transfers.

Port 43 Monitoring, Findings and Follow-up

In September 2010, ICANN began a review of registrar compliance with Whois port 43 access. It was reported that ICANN was able to access 73% of registrar Whois servers without obstruction, that 223 registrars share Whois servers and that overall there was a 99% compliance rate (excluding the shared server issue).

Transfer Policy Audit and Follow-Up

An audit of Inter-Registrar Transfers was undertaken for compliance with ICANN policy and found that 67% of the losing registrars and 60% of the gaining registrars were compliant.

Registrar Data Escrow Follow-Up

57 Compliance Notices were issued between November 2010 and February 2011 which resolved 91% of the issues.

Major Initiatives

Stacy Burnette reported on the teams "Compliance Readiness" plan for the new gTLDs which includes two new compliance experts and one compliance outreach person in the FY2012 budget.

New appointment

It was reported that a candidate for the position of Compliance Director had been appointed. (Subsequently this was revealed to be Ms. Maguy Serad).

J Scott Evans thanked the Compliance Team for their presentation and efforts to gather and report compliance data including trends. The IPC was introduced to Compliance Team members Connie Brown and Kent Crispin.

Questions included the identity of registrars repeatedly failing to supply Port 43 access (Fred Felman) and whether there is a trend in registrars failing to support Transfers-out (Paul McGrady). The Compliance Team undertook to look into both these matters.

Budget

Juan Ojeda, Financial Controller and Akram Atallah, Chief Operating Officer, made a presentation on the Framework for the FY12 Operating Plan and Budget, presenting one version without the new gTLDs and one version with the new gTLDs, as summarised below:

(in US dollars)	FY12 FRAMEWORK w/o New gTLD Launch	FY12 FRAMEWORK w/ New gTLD Launch
Traditional Revenue	68,525,000	68,525,000
New gTLD Application Fees		92,500,000
Revenue	\$ 68,525,000	\$ 161,025,000
Core Operating Expenses	51,911,000	51,911,000
Projects Expenses	11,111,000	11,111,000
New gTLD projects *	6,790,000	6,790,000
New gTLD Processing Costs	-	35,970,000
Expenses	\$ 69,812,000	\$ 105,782,000
New gTLD Application Refund	-	8,260,000
Historical Development Refund	-	11,480,000
New gTLD Contingency	-	30,000,000
Contributions to/(from) Reserve	\$ (1,287,000)	\$ 5,503,000
Investment Income	\$ 1,000,000	\$ 1,000,000
Non-Cash Expenses	\$ 2,600,000	\$ 4,000,000
Change in Net assets	\$ (2,887,000)	\$ 2,503,000

New gTLD Application Processing Launch

Core operations for the FY2012 are budgeted to cost \$51.9 million, Projects to cost \$11.1 million and the new gTLD processing to cost \$36 million. Projects to be covered by the \$11.1 include the deployment of DNSSEC, Whois Studies, the Affirmation of Commitments Review, IRN Variant project, and DNS Measurement and metrics.

In the assumptions for the version of the budget with the new gTLDs, it has been assumed that the new gTLDs will launch four months after the launch of the Communications Plan and that 500 applications at \$185,000 will be received.

Akram Atallah suggested that members of the IPC should view a full version of the Operating Plan and Budget at <http://www.icann.org/en/planning/ops-budget-framework-fy2011-en.pdf>.

Following Public comments, a revised version of the Plan will be published on 17 May 2011.

Paul McGrady asked how the sum of \$30m set aside in the new gTLD budgets had been calculated. Akram Atallah responded that ICANN had sought the advice of its insurers.

Mike Pelage asked when the report on Salary levels within ICANN would be published, suggesting this was seven months overdue. Mr Atallah said this would be looked into.

Kristina Rosette asked if the ICANN Finance team had received requests from many Constituencies for financial support. It emerged that as the request of the IPC had not been received, it would be resubmitted and reviewed.

Steve Metalitz called for volunteers to assist in shaping comments on the Framework, noting that the closing date was 4 April 2011.

Brussels Intersessional Meeting Overview

J Scott Evans introduced a review of the Brussels Intersessional Meeting that took place between the GAC and the ICANN Board from 28 February – 2 March 2011. He was joined by Stacey King, Fabricio Vayra, David Taylor and Kristina Rosette. The work of the IPC in drafting letters to the Board, briefing members of the GAC and otherwise providing information to assist the Board and the GAC to resolve issues involving the protection of rights was explained. A debate was started when it was suggested that the priorities of the IPC were 1) the URS, which must remain fast, inexpensive and efficient and 2) The Trademark Clearinghouse which must include national and super-national registrations from all jurisdictions equally, regardless of whether there is an examination of use. Rick McMurtry asked how these priorities were set. This led to an appeal by J Scott Evans to the 75 attendees at the IPC meeting to join or participate more on the IPC ListServ or to volunteer for project teams.

Nominating Committee

Mark Partridge described the work of the Nominating Committee which is responsible for selecting qualified candidates for the Board, the GNSO Council, the ccNSO Council and the ALAC. Specifically, the NomCom was seeking:

- Two members of the Board of Directors of ICANN
- Three At Large Advisory Committee (ALAC) representatives (one each from the Africa, Asia/Australia/Pacific and Latin America/Caribbean regions)
- Two members of the Council of the Generic Names Supporting Organization (GNSO)
- One member of the Council of the Country-Code Names Supporting Organization (ccNSO)

He urged attendees to nominate colleagues and contacts or even themselves. He referred attendees to the pages on the ICANN site such as www.icann.org/en/announcements/announcement-04apr11-en.htm and invited interested parties to email nomcom2011@icann.org.

ENDS.

13 April 2011