

# Strategic Outlook

## FY23 Trends Identification

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### ***GNSO Trend Session Summary***

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**Session date & location:** 1 March 2021; Virtual session

**Number of participants:** 28

**Session facilitators:** Becky Nash, Victoria Yang (Planning team)

**Points of contact:** Steve Chan (Org) / Nathalie Peregrine (Org) / Philippe Fouquart (gNSO chair)

### Description of the session:

Participants were divided into five subgroups and engaged in a brainstorming exercise to:

- Identify and track the evolution of trends that may affect ICANN.
- Evaluate the impacts that these trends pose to ICANN, either in terms of threats or in terms of opportunities.

Subgroups shared their ideas with the larger group, and additional discussions followed, allowing participants to dive deeper into areas of interest.

At the end of the session, participants were invited to vote for their top-three highest priorities that ICANN should be focusing on, (each individual participant could select up to three from all trends, risks and opportunities identified by any subgroup during the session).

This year, the brainstorming exercise was structured around the five areas of focus of ICANN's new strategic plan for fiscal years 2021 to 2025. The elements collected in previous years have helped identify these different focus areas:

- **Security** – relating to cybersecurity, Internet of Things vulnerabilities, DNS security, root service reliability, resilience and interoperability, DNS abuse.
- **ICANN's Governance** – referring to ICANN's governance rather than Internet governance in general, ICANN's multistakeholder model of governance, efficiency and effectiveness, transparency and accountability, inclusiveness and openness.
- **Unique Identifiers System** – evolution of the unique identifiers system in the context of the evolution of its uses and its user base, considering external technology advancement (such as blockchain, IoT, rise of artificial intelligence etc.), alternate roots, alternative infrastructures, universal acceptance, and IDNs.
- **Geopolitics** – including effects on ICANN of legislation and regulation, and other globalization topics such as the global reliance on the Internet, or the Internet fragmentation.
- **Financials** – including financial sustainability, financial responsiveness to changing industry economics, funding strategies, and cost management.

## Top priorities from session

Top priorities from sessions are based upon the number of participant votes received, indicated by the number in parentheses.

### Geopolitics:

- **Legislation & Regulations** (29 votes): There is a multiplication of national and regional legislations affecting ICANN and ICANN parties, including extraterritorial effects. There is an opportunity for early engagement in the discussions about regulation, informing governments, providing feedback.

### Security:

- **DNS Abuse** (24 votes): There is a risk in having no accepted definition of (DNS) abuse or bright-line agreed-upon role for ICANN. A related opportunity is for ICANN leadership to put some stakes in the ground regarding the definition of DNS abuse and the extent of its role.

### ICANN's Governance:

- **Engagement & Participation** (14 votes): Limited volunteer capacity compared to the amount of policy work. Overly complex processes deter newcomers. Volunteer participation is reducing, due to virtual meetings. Technical measures to prevent Zoom bombing and similar behaviors make it impossible to engage meaningfully during an ICANN public meeting. Time zone issues.
- **Consensus Challenges** (7 votes): There are a lack of incentives to compromise. Suggestion to focus on the “what” and not the “how”.

### Finance

- **New gTLDs Program** (7 votes): There is a lack of preparations projections in FY22 plans for the next round.

### Unique Identifiers System:

- **Emerging Identifiers Technologies** (6 votes): There is a growth of competing unique identifiers systems and platforms (other than IP addresses and DNS): blockchain, bitcoin, NFTs.
- **Internet Fragmentation** (5 votes) There is a trend towards a European based root server system, China's firewall, etc. This risks the dilution of the DNS's "one root" nature. There is a related need for broader community engagement/education. Engagement with Governments (policy makers & regulators).

### Transcription of Session's outputs:

The elements collected during the session are presented in the next pages. The results have been regrouped by focus areas and topics discussed (by staff).

Bullet points are a direct transcription of inputs collected during the session. Repetitions or duplications have not been removed, as the intent here is to reflect the full information received.

The number of votes for high-priority that each statement received is indicated in parenthesis after that statement.

## Security

FY23 Trends	Risks or Threats associated with these trends for ICANN?	Opportunities or Suggested Actions?
<p><b>DNS Abuse</b></p> <ul style="list-style-type: none"> <li>● Abuse - we really, really need to start talking about this (seriously). See last Council meeting e.g. using CCT-RT recs as starting point. (6)</li> <li>● DNS Abuse: definitions exist, what is the common ground? (4)</li> <li>● DNS abuse definition and responsibilities are critical (3)</li> <li>● Have seen marked increase in consumer-facing scams using well-known brands in DNS/e-mail links during COVID for phishing etc. (1)</li> <li>● Similar to previous years, but perhaps exacerbated with vastly increased global reliance on and use of Zoom and similar platforms.</li> <li>● Unreliable blocklists (no effective method to remove false positives)</li> <li>● Increase in DNS Abuse (phishing, scams, etc.)</li> <li>● Some in community who want to make introduction of new TLDs contingent on greater DNS abuse activity in ICANN</li> </ul>	<ul style="list-style-type: none"> <li>● There is no accepted definition of abuse or bright-line agreed-upon role for ICANN (2)</li> <li>● Inability to effectively manage and mitigate DNS abuse results in loss of confidence in ICANN (1)</li> <li>● Disagreements about what constitute abuse within the ICANN community weaken public confidence in ICANN, make consensus difficult if not impossible.</li> <li>● Solutions developed outside of ICANN's ecosystem (eg. Abuse Framework)</li> </ul>	<ul style="list-style-type: none"> <li>● ICANN leadership to put some stakes in the ground regarding the definition of DNS Abuse and the extent of its role (5)</li> <li>● Convene the community towards a direction on DNS Abuse (2)</li> <li>● Adopt a single definition within ICANN's remit and the abilities of the CPs.</li> </ul>
<p><b>DNS Ecosystem Security</b></p> <ul style="list-style-type: none"> <li>● Hacker are getting more sophisticated, i.e., SolarWinds hack</li> <li>● Lack of interest in DNSSEC at application layer</li> </ul>		<ul style="list-style-type: none"> <li>● The SSAC -in my view - seems to have embraced a wider than usual reading for what constitutes a threat to the security and stability of the Internet...and thus, ICANN's remit. Should the SSAC's view be embraced and supported?</li> </ul>

## ICANN's Governance

FY23 Trends	Risks or Threats associated with these trends for ICANN?	Opportunities or Suggested Actions?
<p><b>Engagement &amp; Participation</b></p> <ul style="list-style-type: none"> <li>● Limited volunteer capacity compared to the amount of policy work (3)</li> <li>● Lower participation of stakeholders due to virtual meetings (3)</li> <li>● Overly complex processes deter newcomers (3)</li> <li>● There is a challenge in how to make the multistakeholder model stronger allowing the participation of all the stakeholders and considering regional and other diversities, specially in virtual meetings (2)</li> <li>● Time zone issues for many members (1)</li> <li>● Technical measures to prevent Zoom bombing and similar behaviors make it impossible to engage meaningfully during an ICANN public meeting. (1)</li> <li>● Zoom fatigue and increased challenges of managing volunteer workload with outside ICANN workload make it harder to participate meaningfully</li> <li>● Lack of F2F meetings may see ICANN community members leave and not return</li> <li>● Lack of f2f leads to less opportunities for compromise (without real life conversations), and less understanding of other groups</li> <li>● Meetings Strategy - during and post-covid</li> </ul>	<ul style="list-style-type: none"> <li>● Volunteer participation reduces, only contracted parties participate. (1)</li> <li>● Imbalance in the participatory multi-stakeholder model will become more acute!</li> <li>● Volunteer burnout is a real threat to the model</li> <li>● Uncertain impact of ODP</li> </ul>	<ul style="list-style-type: none"> <li>● Prioritization of work</li> <li>● Include the community further on the meetings strategy discussions</li> </ul>

<p><b>Effectiveness of the Multistakeholder Model</b></p> <ul style="list-style-type: none"> <li>● Increasing length of time for Working Group deliverables (1)</li> <li>● Increasing time to complete PDPs reduces all of these attributes: efficiency, and the rest of them (1)</li> <li>● Growing load in policy making/reviewing processes leads to more exhaustion than in previous years, combined with the lack of f2f might be dangerous (1)</li> <li>● Is the current SO/AC structure keeping up with the evolution of the community?</li> <li>● Not clear what the outcomes of the Evolving the Multistakeholder Process are; after all that work, time and money spent, nothing has changed</li> </ul>	<ul style="list-style-type: none"> <li>● SO/AC fragmentation leads to less trust (3)</li> <li>● Limited capacity, length of policymaking = inability to address the issues by making policy, the result might be again calls for more regulation and perceived failure of the model</li> <li>● Failure to adapt to changes</li> <li>● Discourage innovation</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>● We need more use of PDP 3.0 to limit efforts to reasonable and manageable level (2)</li> <li>● Utilize some of the assessment techniques discussed in the Consensus Playbook.</li> <li>● Structural review?</li> </ul>
<p><b>Consensus Challenges</b></p> <ul style="list-style-type: none"> <li>● Lack of incentives to compromise. (2)</li> <li>● Difficulty concluding policy development in a more time efficient and consensus driven manner.</li> </ul>	<ul style="list-style-type: none"> <li>● Difficulty finding consensus with stakeholders with entrenched positions.</li> </ul>	<ul style="list-style-type: none"> <li>● Focus on the "What" and not the "How" (5)</li> </ul>
<p><b>COVID-19</b></p> <ul style="list-style-type: none"> <li>● The well of goodwill within the community is running dry due to COVID</li> <li>● Vaccines rollout, travel limitations and hybrid meetings.</li> </ul>		<ul style="list-style-type: none"> <li>● Social actions to integrate the community between meetings.</li> </ul>
<p><b>Transparency &amp; Accountability</b></p> <ul style="list-style-type: none"> <li>● Lack of org. accountability during pandemic (1)</li> <li>● Perceptions of favoritism within ICANN</li> </ul>	<ul style="list-style-type: none"> <li>● Criticism of ICANN lack of transparency and accountability (1)</li> </ul>	<ul style="list-style-type: none"> <li>● More direct community interaction with Board and org. (outside the 3 meetings)</li> </ul>

## Unique Identifiers System

FY23 Trends	Risks or Threats associated with these trends for ICANN?	Opportunities or Suggested Actions?
<p><b>Emerging Identifier Technologies</b></p> <ul style="list-style-type: none"> <li>● Evolution of different identifiers over the Internet other than IP addresses and DNS (3)</li> <li>● IOT identifiers</li> <li>● New technologies overtaking domains</li> <li>● Incentives to work outside ICANN system (eg., crypto, handshake DNS)</li> <li>● Growth of competing UI systems / platforms: blockchain, bitcoin, NFTs (3)</li> <li>● Domain names become a secondary means of accessing "the Internet", at the risk of becoming "irrelevant".</li> </ul>	<ul style="list-style-type: none"> <li>● Too focused on domains; other tech passing us by</li> <li>● Is blockchain a threat to the DNS in some way</li> <li>● Decreased community interest/involvement</li> </ul>	
<p><b>Internet Fragmentation</b></p> <ul style="list-style-type: none"> <li>● European based root server system, China's firewall, etc (1)</li> <li>● Cryptocurrency markets generating their own TLDs (<a href="https://www.namebase.io/stats/">https://www.namebase.io/stats/</a>)</li> <li>● New IP trends towards national networks</li> </ul>	<ul style="list-style-type: none"> <li>● Dilution of the DNS's "one root" nature</li> </ul>	<ul style="list-style-type: none"> <li>● Need for broader community engagement/education. Engagement with Governments (policy makers &amp; regulators)</li> </ul>
<p><b>Universal Acceptance</b></p> <ul style="list-style-type: none"> <li>● IDNs need to work better before a new round starts (1)</li> <li>● Vital that we ramp up IDNs &amp; UA - especially in light of expected new round.</li> <li>● Universal acceptance slow in uptake</li> </ul>	<ul style="list-style-type: none"> <li>● ICANN enables IDN commerce but there is not enough support</li> </ul>	<ul style="list-style-type: none"> <li>● Org. needs to support UASG's action for more effectivity: comms, stakeholder engagement</li> </ul>

## Geopolitics



FY23 Trends	Risks or Threats associated with these trends for ICANN?	Opportunities or Suggested Actions?
<p><b>Legislation &amp; Regulation:</b></p> <ul style="list-style-type: none"> <li>● Multiplication of legislations (EU and beyond) (2)</li> <li>● New unknown regulations at some place in the world (e.g., EU). (2)</li> <li>● EU Digital services act will have an extraterritorial effect. Contracted parties could be affected. (6)</li> <li>● EU NIS directive and EU cybersecurity strategy have extraterritorial effect and will affect ICANN (in the long run, 2-3 years until they become law)</li> <li>● National regulation of social media content may impact on technical regulation (3)</li> <li>● Security and privacy rules at ICANN may be impacted by the EU different regulations that have also a global impact. (1)</li> <li>● Risk of domestic legislation that impacts DNS (3)</li> <li>● EU's NIS2 Directive (especially re WHOIS) will definitely have an impact. (1)</li> <li>● NIS2 directive</li> <li>● Chinese like domain registration restrictions coming to other regions in the future?</li> <li>● Difficulty in reconciling ICANN policies with controlling national law</li> <li>● Trend towards more national/regional regulation rather than voluntary global community developed policies to govern DNS</li> <li>● European based root server system, China's firewall, etc (1)</li> <li>● National or regional legislation could affect ICANN and ICANN parties. What effect can ICANN or the ICANN community have on these discussions?</li> <li>● Conflicting legislation</li> <li>● Increase in governmental interest in DNS-related outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>● Transparency on interactions with governments or lack thereof can be a threat or opportunity. (2)</li> <li>● Content layer issues that fuel geopolitical tension are bleeding over into the ICANN space and threaten to undermine ICANN's legitimacy (2)</li> <li>● Delays in PDPs, and implementation. (1)</li> <li>● An increasing amount of regulatory frameworks that ICANN and its community have to take into account (and which can directly or indirectly affect ICANN and its community)</li> <li>● Too much focus on balancing between all the different national legislations.</li> <li>● Maintenance of ICANN's legitimacy</li> <li>● Need to be aware of continued attempts at fragmentation/control, e.g. China's ideas at the ITU/IGF.</li> <li>● With inaction by ICANN, there is the threat of Governments creating laws and regulations that impact the global stability of the DNS</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>● Keep community and stakeholders informed (3)</li> <li>● Early engagement in the discussions about regulation, informing governments, providing feedback (1)</li> <li>● Try to be proactive with regard to coming new regulations in the world. (1)</li> <li>● Need to future-proof the implementation of the EPDP results to avoid redundancies.</li> <li>● Need for broader community engagement/education. Engagement with Governments (policy makers &amp; regulators)</li> <li>● Increased community exchanges about the risks of such legislations - beyond the org's perspective.</li> <li>● Opportunity for ICANN to show leadership about DNS abuse before external parties regulate us.</li> </ul>

FY23 Trends	Risks or Threats associated with these trends for ICANN?	Opportunities or Suggested Actions?
<b>Jurisdiction challenges:</b> <ul style="list-style-type: none"> <li>• EU announced that they want to assert jurisdiction over root zone servers located in the EU (I and K).</li> </ul>		

## Financials

FY23 Trends	Risks or Threats associated with these trends for ICANN?	Opportunities or Suggested Actions?
<b>Domain Name Industry Changes</b> <ul style="list-style-type: none"> <li>• Consolidation within the domain name ecosystem/market (1)</li> <li>• What will the effects of industry consolidation have on ICANN resources and industry stability?</li> <li>• Future of DNS in the context of mobile and other devices not using web pages and domain names</li> </ul>	<ul style="list-style-type: none"> <li>• Relevance of GNSO's structure (or ICANN's as a whole)</li> </ul>	<ul style="list-style-type: none"> <li>• Structural review?</li> </ul>
<b>Covid-19</b> <ul style="list-style-type: none"> <li>• COVID-19 is not over, and there is a total uncertainty (including financial projections)</li> <li>• Post-COVID effect on the economy may affect revenue negatively</li> </ul>		
<b>ICANN Funds / Budget</b>	<ul style="list-style-type: none"> <li>• Budget analysis by the Community is becoming an overwhelming task, which threatens Empowered Community oversight. (2)</li> <li>• Income will be affected - some positively, many negatively, due to COVID. Potential knock-on to ICANN resources? (1)</li> </ul>	

FY23 Trends	Risks or Threats associated with these trends for ICANN?	Opportunities or Suggested Actions?
<ul style="list-style-type: none"> <li>● Economic pressures due to COVID-19 change the market for domain names, put pressure on volunteers' jobs, volunteers' time to engage in the ICANN community (2)</li> <li>● Inflation rates (enormous amounts of money pumped into the financial system) might be going up in the close future - there should be a strategy protecting funds/operations</li> <li>● ICANN may need additional sources of funding (non-domain related)</li> <li>● The pandemic was more of a boom to ICANN financials and the Domain Name Industry rather than a detriment.</li> <li>● Auction proceeds</li> </ul>		
<p><b>New gTLDs Program</b></p> <ul style="list-style-type: none"> <li>● Lack of preparations projections in FY22 plans for the next round (4)</li> <li>● Uncertainty when/if next round of new gTLDs will occur</li> <li>● ICANN still holding \$80+MM in gTLD application fees and has \$11MM in savings</li> </ul>	<ul style="list-style-type: none"> <li>● Challenges with the new gtld, the first round is still not totally understood from many communities and stakeholders (3)</li> <li>● New gTLD next round not cost neutral.</li> </ul>	
<p><b>Prioritization Challenges</b></p> <ul style="list-style-type: none"> <li>● A number of IRT efforts (e.g., SubPro, RPM, EPDP1, EPDP2, EPDP2A) will require simultaneous resources. (2)</li> <li>● Less money = Less projects?</li> </ul>	<ul style="list-style-type: none"> <li>● Are current PDP's viabilities affected by less funds?</li> </ul>	<ul style="list-style-type: none"> <li>● Report to the community on how much \$ is available for each project.</li> </ul>

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