Annual Report

2019

Message from the Chair

2019 was a milestone year for Public Interest Registry (PIR) in many ways. It was the first full year with Jon Nevett at the helm as CEO. While Jon certainly is not new to the domain name industry, he was new to the PIR organization. Jon's vision and leadership coupled with his focus and determination to ensure the stability of .ORG and the PIR team set a new standard of an exemplary registry. Jon very elegantly continued and refined the projects started by the Board in 2018 and underlined that we picked the right person for the job.

Also, the PIR team should be recognized for its leadership on many excellent new initiatives that are important building blocks in being an exemplary registry. Just a few of the highlights include:

- the Anti-Abuse Program that helps ensure a safer Internet;

- the .ORG Impact Awards that honor excellent organizations from around the world with a really great celebration;

- the .ORG Community Forum that extended our educational efforts directly into the community face to face and virtually; and

- the Quality Performance Index (QPI) that is enhancing the .ORG namespace while earning recognition as a 'Registry Best Practice.'

I am excited to see a reinvigorated PIR team. PIR has a strong focus on its Core Values that help drive its much-improved organizational culture. The steps taken in 2019 put PIR in an even better position to succeed. Likewise, the new members of the Executive Team took the baton and ran with it in many impressive ways. A key example is the establishment of a new Technology Department that will make PIR more resilient and agile while providing

decision makers with data-driven knowledge. Of course, the revived PIR Advisory Council continues to be a key source of support for and giving valuable input to PIR's mission.

The end of 2019 was also the start of the process to transfer control of .ORG from the Internet Society to Ethos Capital. While we now know that this transaction will not proceed, I want to commend the PIR Executive Team and all staff who labored through the process with the utmost professionalism. If we take anything from this experience it's that PIR has been and will continue to be managed by extraordinarily dedicated staff who remain devoted to PIR's mission.

Finally, I would be remiss not to extend a huge thank you to all of you across the .ORG Community for being committed to PIR and its mission to serve as an exemplary domain name registry and industry thought leader. Together, we will continue to manage .ORG in all of the ways that support those who dedicate themselves to improving our world.

Lise Fuhr
Chair, PIR Board
of Directors

Message from the CEO

2019 was a compelling year for Public Interest Registry (PIR). As shown in this Annual Report, we enhanced the PIR team and fostered a number of successful new initiatives. Indeed, we met or exceeded all of our goals and contributed a great deal to both the Internet Society and the .ORG Community. While the end of year proposal to sell PIR generated a lot of attention, we shouldn't let that distract from PIR's achievements in 2019.

The poposed transaction always was about the most important thing for PIR: the future of .ORG. In the last seven months, we have been reminded about just how important .ORG is to charities, advocates, mission-driven organizations, and others trying to heal, unite, and inspire. While we always understood that managing the .ORG domain comes with great responsibility as it is an essential part of the fabric of the Internet and society as a whole, this experience only has served to redouble our resolve.

When I became CEO of PIR in late 2018, I saw PIR as a place with a passionate, skilled, and experienced team dedicated to the organization's mission and serving the .ORG Community. I am proud that this team combined with a number of fantastic new leaders and team members added in 2019 have meshed into an extraordinary team working together for the good of .ORG and its community.

We are and always will be an exemplary registry operating with transparency, upholding our Anti-Abuse principles, and expanding .ORG globally to broaden the reach for social good. PIR has and will continue to promote our values and mission that help make .ORG the most trusted and reliable domain in the world.

To these ends, our longstanding partnership and collaboration with the Internet Society team will remain strong. PIR will continue to be transparent with what we do as an organization financially, operationally, and administratively. We will be leaders in the technology and Internet policy sectors protecting the stability of the Internet and data privacy. We will continue our efforts to promote the quality of .ORG names and combat domain name abuse. We also will widen the international breadth of .ORGs, especially in under-served regions.

I constantly remind the PIR team and myself that we are fortunate to have the honor to serve as the responsible stewards of the crown jewel of the domain name system and, together, we will give the next generation an even stronger .ORG.

Jon Nevett
President & CEO, PIR

This Is Who We Are

As an exemplary domain name registry and industry thought leader, we provide a trusted digital identity and help educate those who dedicate themselves to improving our world.

THE .ORG COMMUNITY

.ORG is the original domain extension created for all types of organizations. Delegated in 1985 as one of the Internet's original top-level domain names, .ORG has been managed by **Public Interest Registry** since 2003. While .ORG has long been associated with non-profits—and remains home to many—the .ORG Community is fundamentally inclusive. You represent individuals, companies, and organizations of all kinds with a social good mission. Whether as an affinity group, arts and culture institution, association, educational institution, family group, non-profit, social enterprise, public information outlet, or a corporation with a sustainability or Corporate Social Responsibility (CSR) initiative, you choose .ORG as your digital identity. Choosing a .ORG domain is not just about who you are, it's about what you do. The diverse communities you represent come together and make up the .ORG Community, and together we make a positive impact on the world.

Purpose

Like the .ORG Community, PIR is mission based. We are a 501(c)(3) not-for-profit registered in the United States and are chartered to administer the .ORG registry for the benefit of our end user consumers and the Internet as a whole. This mandate includes operating .ORG in an exemplary manner and being an industry thought leader. We also support and assist our sole member, the Internet Society (also a 501(c)(3) not-for-profit registered in the United States), in achieving its important and significant charitable mission by operating .ORG and other top-level domains as model registries within the Internet industry. PIR's proceeds aid the Internet Society's work to make the Internet available and accessible to all people in the world, and to keep it as a trusted and secure resource. PIR also supports the Internet Society Foundation, which was established in February 2019 to fund initiatives that strengthen the Internet in function and reach so that it can effectively serve all people. In fact, for every dollar that comes to PIR, over sixty cents goes directly to the Internet Society to fund its global work and mission. Finally, we use our proceeds to improve the stability and security of the .ORG registry, as well as to deliver a robust Education and Outreach program that enlightens mission-driven organizations—especially those with limited resources or from technologically deprived areas—about Internet-based resources that can support their missions.

Core Values
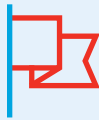
BOLD STEWARDSHIP

We are entrusted by millions to operate in the public interest and we take that responsibility seriously. We thoughtfully consider the impact of our actions and work in deliberate pursuit of our mission.

UNWAVERING INTEGRITY

We are passionate about integrity. We refuse to compromise our ethical standards for the sake of expediency, popularity, or profitability. As a force for good, we will do nothing to undermine the trust the online world places in us.

RELENTLESS COMMITMENT

We never give up. We are persistent and purposeful in our efforts to get it right and do it well. We recognize that there is always opportunity for improvement and growth, and we continually strive to achieve it.

HONORING PEOPLE

We see the value of the person behind the business card. We believe each employee, customer, vendor, partner, and stakeholder is a whole person, and is to be respected and valued as such.

PIR's values are at the core of everything we do. They are what drive us to live up to PIR's high standards in the pursuit of our mission. Our Core Values also are the foundation for **PIR's Strategic Priorities**, which remain:

1

Managing .ORG and our other generic top-level domains (gTLDs) as exemplary registries built upon trust;

2

Engaging in education and outreach activities focused on enhancing the online presence of mission-driven entities globally;

3

Strengthening an organizational culture that improves the work environment while executing a corporate technology strategy; and

4

Meeting or exceeding our financial return and future value in support of the mission of the Internet Society.

One way that you can see our Core Values in action is through PIR's Employee Volunteer Program. This is a special category of paid leave that allows each of our employees up to 40 hours of leave per year to volunteer. To date, PIR has supported thousands of hours of volunteer service. Some of these volunteer activities are performed as a team. Examples include our day-long upgrades to the grounds of Loudoun Therapeutic Riding (**https://ltrf.org/**), a local .ORG that empowers and improves the lives of people with cognitive, physical, and psychological disabilities by using horses as therapy, and our purchasing and packing scores of backpacks in support of Collect for Kids (**https://www.collectforkids.org/**) to help children get the school supplies they need to pave the way to a successful school year. Other volunteer activities are done on an individual basis. One stand-out example was a teammate who traveled to Kampala, Uganda in March 2019 with a small group to cook and feed more than forty abandoned and orphaned children living in an impoverished situation. This colleague also leveraged her social media skills to help raise over $10,000 for the kids' tuition and infrastructure improvements at **Jaja's Orphanage.**

PIR is proud the work we do directly contributes to support the Internet Society. A global non-profit organization, the Internet Society works to ensure the Internet remains a force for good for everyone. Through its global community of members, special interest groups, and chapters, the Internet Society defends and promotes Internet policies, standards, and protocols that keep the Internet open, globally-connected, secure, and trustworthy. To learn more about the Internet Society's work in 2019, read their Impact Report at https://www.internetsociety.org/impact-report/2019/.

The PIR Board

Of course, our values and priorities also extend to the PIR Board of Directors. In 2019, PIR welcomed Keith Davidson, Greg Kapfer, and Amitabh Singhal to the Board. All Director bios are available on our website at **https://thenew.org/org-people/about-pir/team/board/**. Each are well-respected members of our community and bring significant technical, operational, and financial expertise to PIR. In fact, Mr. Singhal previously served on the PIR Board of Directors from 2010-2016 and was brought back to complete the term of Suzanne Woolf, who

stepped down from the Board in May to join the PIR staff in a new role designed to strengthen PIR's ties to Internet operator groups, standards bodies, and research organizations. Also of note in 2019, Lise Fuhr was reappointed to a second term and confirmed as Chair while Jeff Bedser was elected Vice Chair. All of these appointments underscore PIR's commitment to geographic, gender, and cultural diversity. We also would like to thank Roberto Gaetano and Tosca Bruno Van Vijfeijken for their years of service on the Board.

PIR BOARD IN 2019

NAME	NATIONALITY	TERM
Lise FUHR CHAIR	DENMARK	2016-2019-2022
Jeffrey BEDSER VICE CHAIR	UNITED STATES	2017-2021
Narelle CLARK	AUSTRALIA	2018-2021
Jay DALEY	NEW ZEALAND	2018-2021
Amitabh SINGHAL	INDIA	2019-2021
Greg KAPFER	UNITED STATES	2019-2022
Keith DAVIDSON	NEW ZEALAND	2019-2022
Andrew SULLIVAN INTERNET SOCIETY LIAISON	CANADA	2018-PRESENT
Suzanne WOOLF*	UNITED STATES	2018-2019
Roberto GAETANO	ITALY	2013-2016-2019
Tosca BRUNO VAN VIJFEIJKEN	UNITED STATES	2016-2019

*Ms. Woolf stepped down from the PIR Board in May 2019 and joined PIR as Senior Director, Technical Community Engagement.
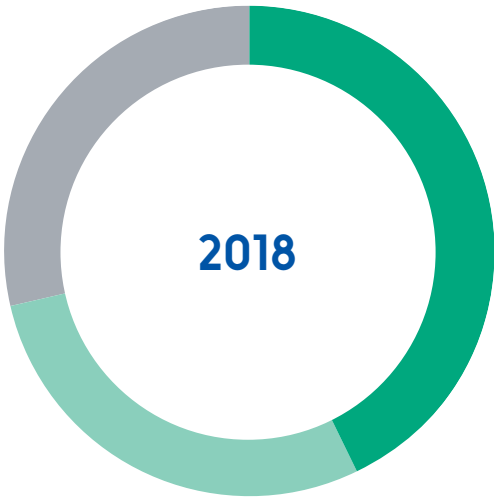
PIR Board of Directors Gender Diversity
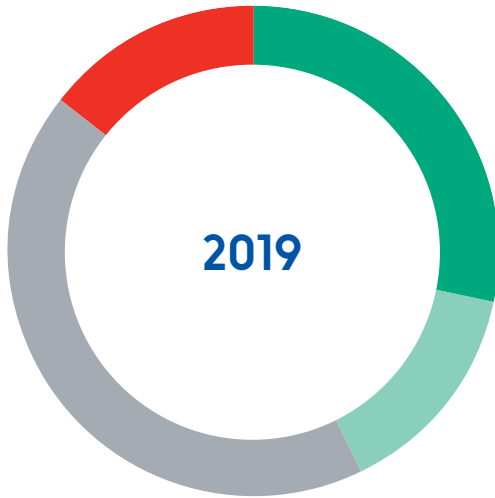

2018

● Female ● Male

2019
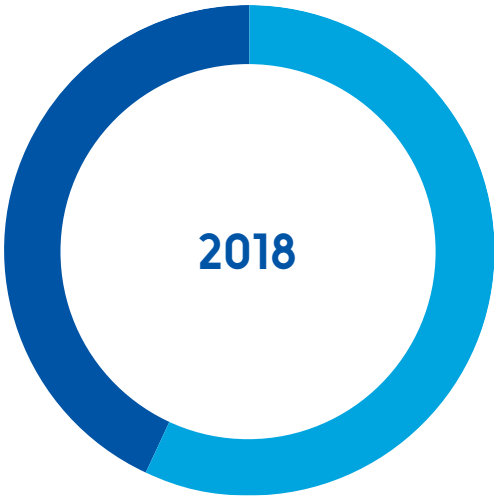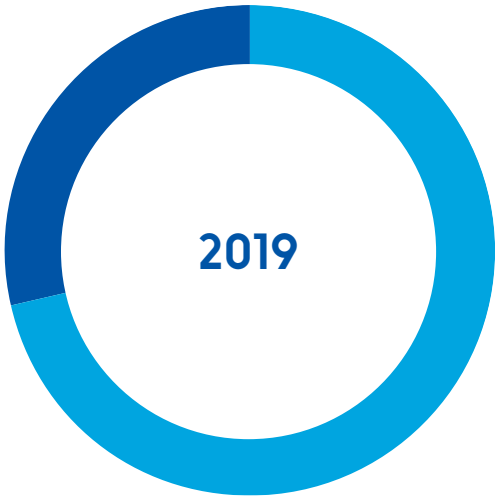
● Female ● Male

PIR Board of Directors Geographic Diversity

2018

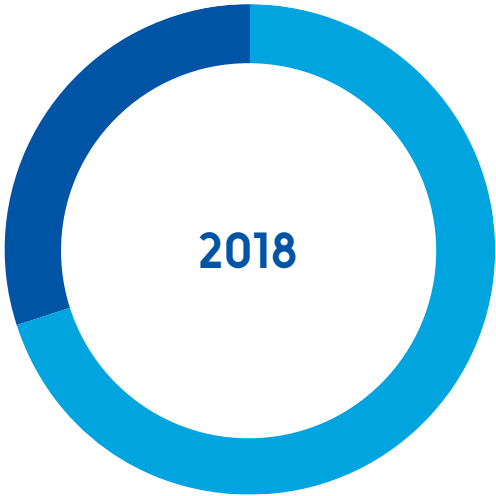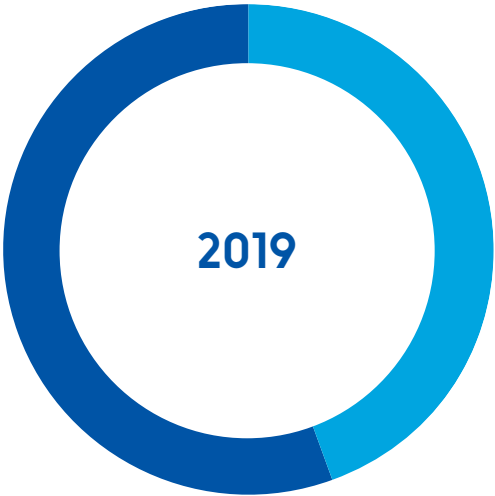● North America ● Europe
● Oceania

2019

● North America ● Europe
● Oceania ● Asia Pacific

PIR Advisory Council Gender Diversity
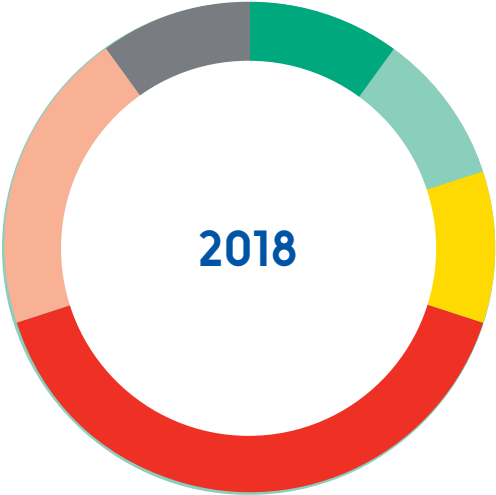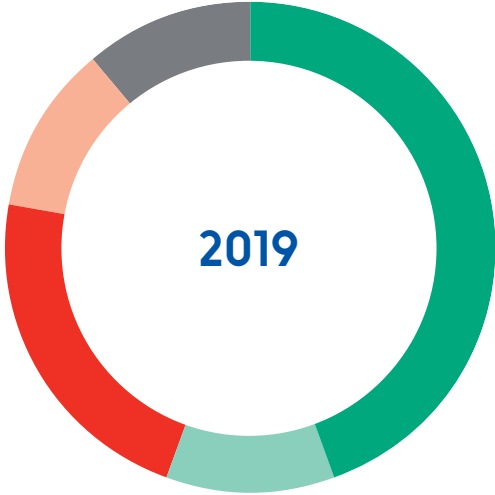
2018

● Female ● Male

2019

● Female ● Male

PIR Advisory Council Geographic Diversity

2018

● North America ● Europe
● Latin America ● Asia Pacific
● Africa ● Middle East

2019

● North America ● Europe
● Asia Pacific ● Africa
● Middle East

The PIR Advisory Council

PIR ADVISORY COUNCIL IN 2019

NAME	NATIONALITY	TERM
Maureen HILYARD	COOK ISLANDS	2017-2020
Vineet KUMAR	INDIA	2017-2020
Michel TCHONANG	CAMEROON	2017-2019
Olivier ALAIS	FRANCE	2019-2021
David ALLNUT	CANADA	2019-2021
Nadira AL-ARAJ	PALESTINE	2019-2021
Jennifer CORDERO	UNITED STATES	2019-2021
Joan KERR	CANADA	2019-2021
Stephanie PERRIN	CANADA	2019-2021

PIR also has an Advisory Council that reflects and further helps us realize our Core Values. Composed of leaders and activists from a broad spectrum of non-commercial organizations around the world, the PIR Advisory Council represents the voices of the .ORG Community to PIR. It serves as an intermediary between end users and PIR on everything from technical to policy to social issues affecting the Internet. The Council also provides us with input and recommendations for new registry strategies, policies, services, and education initiatives to meet the needs of the communities we serve.

The PIR Advisory Council had a significant influx of new members in 2019. This was necessary following the PIR Board's March 2018 decision to consolidate PIR's two separate Councils—one focused on .ORG and the other on .NGO-related issues—into a single entity. A number of the former Councilors were asked to extend their service while PIR conducted a global call for volunteers to serve on the reconstituted Council. This recruitment process was completed in early 2019, with six new Councilors joining three incumbents (all Councilor bios are available on our website at **https://thenew.org/org-people/about-pir/team/advisory-council/**). As always, these appointments reflect PIR's commitment to geographic, gender, and cultural diversity. Once again, PIR would like to offer our thanks to all former Advisory Council members for their years of service.

Key Developments

Back in September 2018, PIR **announced** several important changes to our Sales and Marketing efforts. Key among these was to shift from simply focusing on the quantity of new registrations to a more sophisticated assessment of the quality of domains. Thus, the **Quality Performance Index (QPI)** was created to enhance the quality of the .ORG namespace by tracking abuse rates, renewal rates, domain usage, SSL certificates, and DNSSEC, and then incentivizing those registrars that met the QPI standards to continue focusing on quality registrations. Registrars who fall short also can work to achieve higher QPI scores. This initiative requires the active involvement of many internal PIR teams, and we're proud to report that the QPI remains a resounding success and has been well-received by registrars and the community as a whole. Already, in the third quarterly program that ended on 31 December, over one third of new registrations came from registrars participating in the QPI program. In fact, the ICANN Government Advisory Committee's Public Safety Working Group has highlighted our QPI as a "Registry Best Practice."

Ever since we assumed management of .ORG in 2003, Afilias has been a steadfast partner and provided (and continues to provide) industry leading back-end registry services for all our TLDs. As .ORG has grown over the years and the domain name market's dynamics have changed, it's become increasingly clear that PIR needed to expand its in-house technical expertise, rather than relying solely on the expertise of our friends at Afilias. To this end, early in 2019 we created a new **department of the Chief Technology Officer**. Headed by Joe Abley, a domain industry and Internet infrastructure veteran with over twenty years of experience, this team is responsible for PIR's overall technology strategy. Not only does that include managing information security, data analytics, software development and technical research, the team also actively engages the technical community and conducts related training worldwide.
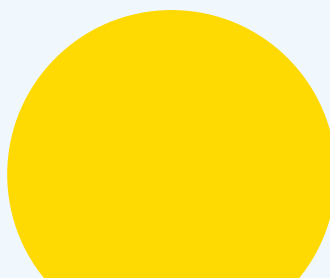
JUNE 2019

ICANN **renewed the .ORG Registry Agreement** for ten years to be consistent with the standard registry agreements already in place for more than 1,200 other TLDs in the marketplace. This process was not without controversy, as many objected to the removal of .ORG price caps. PIR wrote an **open letter** to the .ORG Community, reminding that under the prior contract we had the ability to annually raise prices ten percent per year but had not done so in over three years (and counting!). We also noted that .ORG is constrained by the competitive market, and that PIR would provide six-months' notice before any price hike went into effect so registrants could lock in the then current rate for the next 10 years without any price fluctuation.

SEPTEMBER 2019

We launched a **rebranding campaign for .ORG**, complete with a fully redesigned website at **https://thenew.org/.** We also premiered our .ORG stories program which provides a channel for mission-based organizations to share their stories and have their voices heard online. Importantly, our new branding enabled us to debunk some common misconceptions about .ORG, not least of which is that .ORG is only for the non-profit community. As noted above, the .ORG Community also includes small businesses, community groups, social enterprises, and a multitude of other organizations and individuals powering their inspirations with the .ORG domain. We believe that .ORG is a platform for any organization that wants to make a positive impact on the communities it serves and in the world, and we will continue to support all .ORGs who demonstrate this focus on contributing to the greater good.

Key Developments

PIR publicized the core principles that guide our **Anti-Abuse efforts.** These seven principles are the next step in an ongoing, iterative process to create a cleaner, safer, and more trusted space for the .ORG Community. We also played a leading role creating the "**Framework to Address Abuse**" which over fifty registries and registrars openly and collectively share joint practices that address DNS abuses. Finally, our QPI program represents a key parallel for our anti-abuse efforts and is an objective realization of our commitment to protecting the .ORG Community.

Also in October, we realized many months of planning by holding our inaugural **.ORG Community Forum (OCF).** The OCF was an educational event focused on non-profits and helping them leverage technology to achieve their goals. The topics included the benefits and drawbacks of a dedicated website versus social media presence; ways to leverage video for more effective marketing; online brand protection for non-profits; and defending against disinformation campaigns. You can watch recordings of the sessions at **https://thenew. org/org-community-forum-delivers-compelling-educational-experience/**.

Additionally in October, we hosted the first annual **.ORG Impact Awards (OIA).** The OIA recognized mission-based .ORGs around the world that are doing great things in their communities and online. The full list of winners can be viewed at **https://thenew.org/org-impact-awards-celebrate-12-winners-at-inaugural-program-gala/**. The program culminated in a gala reception at the historic Watergate Hotel in Washington, DC with celebrity philanthropist honoree Taye Diggs and a variety of inspiring and passionate .ORGs from across the globe.

The Internet Society announced that it entered an agreement with Ethos Capital to acquire PIR and all of its assets, including .ORG, for $1.135 billion. The Internet Society planned to invest the proceeds from the proposed transaction into a diversified portfolio assets, using the earnings to fund their operations and sustain their work creating a bigger, stronger Internet for years to come. This proposed transaction was not without controversy with community members raising concerns about the transfer of PIR from a non-profit to a for profit entity. Ultimately, the transaction was rejected by the ICANN Board and the purchase agreement was terminated by the parties.

A .ORG IMPACT AWARD FOLLOWED BY AN OSCAR

Skateistan (https://www.skateistan.org/) is a non-profit organization which empowers children through skateboarding and education in Afghanistan, Cambodia and South Africa. Combining skateboarding with a creative, arts-based education, Skateistan gives children—especially girls—an opportunity to become leaders for a better world. Not only did they win a .ORG Impact Award for Best Integrated Communications Campaign, Skateistan went on to win a 2020 Academy Award for Best Documentary (Short Subject). The trailer for "Learning to Skateboard in a Warzone (If You're a Girl)" can be seen at https://www.youtube.com/watch?v=ILmuqWCe2Yc&app=desktop.

PIR Key Performance Indicators

In 2019, we exceeded our goals for the year. We're especially proud of these results as they reflect our commitment to PIR's Core Values and our Strategic Priorities. We out-performed our financial goals in 2019, and this allowed us to support the Internet Society and its Foundation in support of their mission. Through our Anti-Abuse program and the QPI, we demonstrated PIR's ongoing management of .ORG as an exemplary registry based on trust. We also actively engaged the .ORG Community through a variety of educational efforts, and forged partnerships that will lead to new and innovative programs in 2020 and beyond. Last, but certainly not least, we dramatically improved PIR's work environment as measured by our annual culture survey.

Financial Results

PIR's financial business model is fundamentally clear: the more .ORGs registered and renewed, the more surplus contributed to fund the work of the Internet Society and the newly established Internet Society Foundation. In 2019, we exceeded expectations with contributions to the Internet Society of $67.5 million.

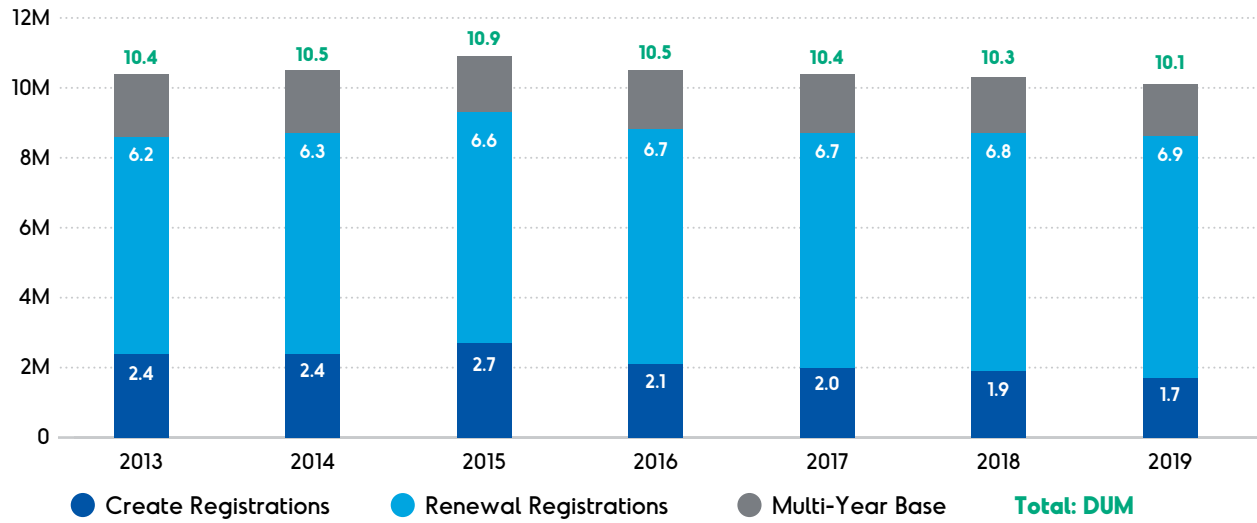## PIR Contributions to Internet Society
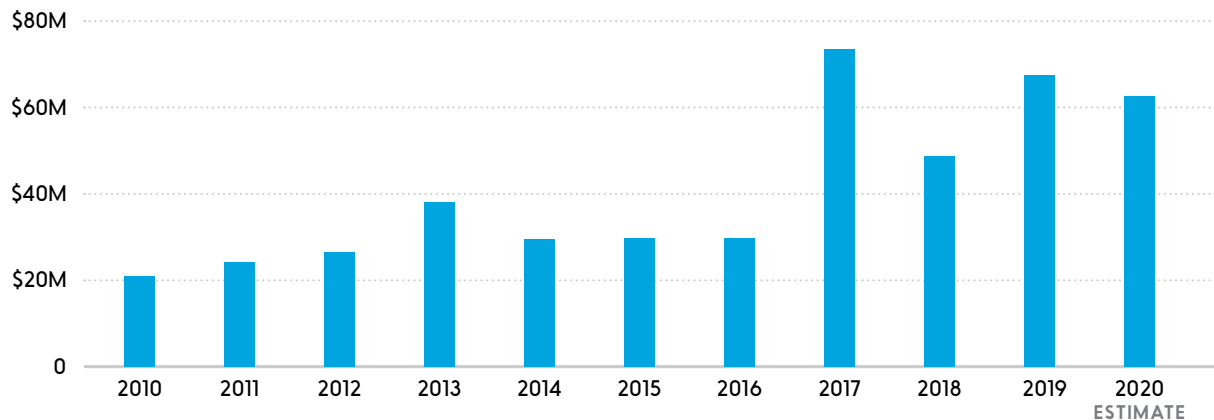
Source: Public Interest Registry[1]

These returns can be considered even more impressive given the overall domain name market results. In fact, most gTLDs have seen registration activity decline over the past few years. Whereas some operators have relied on very low cost or even free registrations to try to grow their base of domains under management (DUM), in many cases renewal rates for these names are quite low. This not only puts pressure on the registry operators, it also raises doubts about the long-term value of their TLDs. Fortunately, .ORG stands apart from the rest of the domain name marketplace—not only in terms of our mission but also in our performance.

As referenced above, PIR made significant changes to its Channel Services and Marketing efforts in late 2018. These were consistent with our Core Values and intended to grow the .ORG Community safely and responsibly. With the launch of our QPI in 2019, we deepened our commitment to enhancing the quality of the .ORG namespace. By encouraging registration activity that drives usage and renewals while minimizing the need to suspend domains because of abuse, we're actively working to enhance .ORG as the domain built upon trust. We anticipated some decline in speculative registrations and have experienced a notable increase in renewal rates to gTLD-leading levels.

1 In December 2017, PIR used its cash surplus to fund an additional one-time contribution to the Internet Society, in the amount of approximately US$43 million.

17

Registrations and DUM

Legend: Create Registrations | Renewal Registrations | Multi-Year Base | Total: DUM

Data by year:
- 2013: Total 10.4, Multi-Year 6.2 (Renewal), Create 2.4
- 2014: Total 10.5, 6.3, Create 2.4
- 2015: Total 10.9, 6.6, Create 2.7
- 2016: Total 10.5, 6.7, Create 2.1
- 2017: Total 10.4, 6.7, Create 2.0
- 2018: Total 10.3, 6.8, Create 1.9
- 2019: Total 10.1, 6.9, Create 1.7

Source: Public Interest Registry

In the second half of 2015, the entire domain name market experienced a surge in registration volumes from speculators based in China. While .ORG enjoyed a material bump, very few of these domain names renewed the following year.

Renewals

Legend: Renewal Registrations | Blended Renewal Rate

Blended Renewal Rate by year: 2013: 73.9%, 2014: 73.9%, 2015: 74.0%, 2016: 72.7%, 2017: 75.7%, 2018: 76.7%, 2019: 78.2%
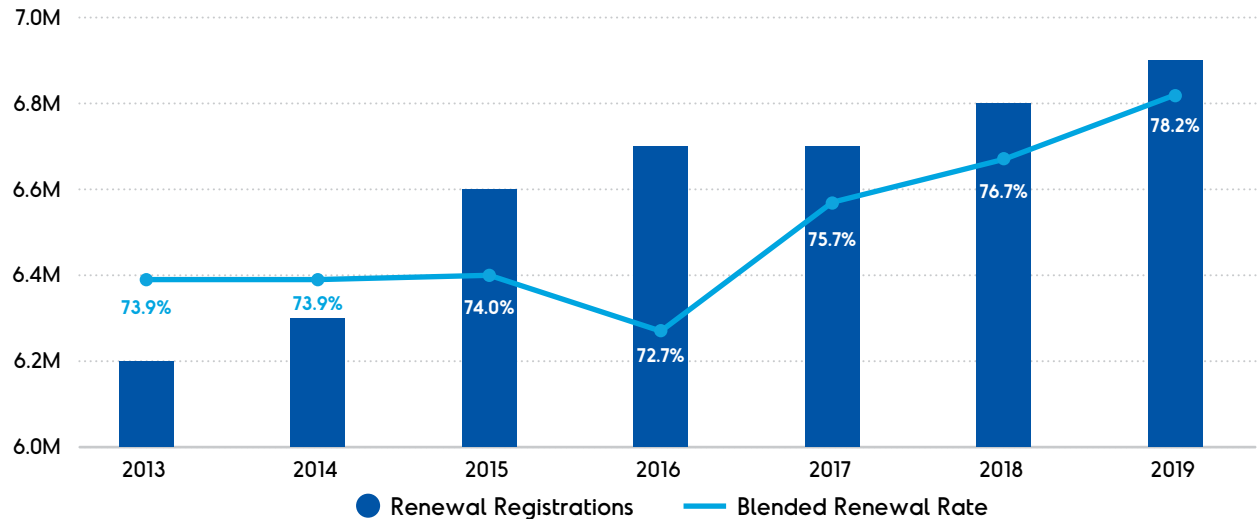
Source: Public Interest Registry

Ibid.

Unit Volumes

	2018	2019
New Creates	1,940,168	1,713,206
Renewals	6,793,094	6,899,872
DUM	10,322,481	10,126,938

Source: Public Interest Registry

Renewal Rates

	2018	2019
1st time	53.3%	55.0%
2nd time	71.4%	74.2%
3+ time	86.7%	87.2%
Blended	76.7%	78.2%

Source: Public Interest Registry

This chart summarizes PIR's strong financial results in 2019. Never satisfied to rest on our laurels, we fully intend to continue driving impressive results and provisioning the financial means to fulfill our mission in 2020 and beyond.

Net Revenue	$94,720,000
Cost of Revenue	$21,543,000
Gross Margin	$73,177,000
Total Functional Expenses	$13,095,000
Depreciation/Amortization	$379,000
Total Expenses	$13,474,000
Operating Income (Loss)	$59,703,000
Internet Society and Foundation	$67,506,000
Other Inc/(Exp)	$1,811,000
Net Income/(Loss)	($5,992,000)

PIR regularly contributes its cash surplus to the Internet Society, yielding an ongoing net loss and negative net asset position.

RENEWALS INDICATE A COMPELLING STORY

.ORG renewal rates, which were already at impressive levels, continued to improve in 2019. We believe that these strong renewal rates reflect our deliberate focus on promoting quality domains in the .ORG base. Likewise, the very high second- and third-year+ renewal rates indicate that registrants and end users value .ORGs or else they wouldn't drive the traffic necessary to justify their continued use. Over time, we expect that these metrics and the rising total or "blended" renewal rate for all .ORG domains under management also will lead to even higher actual usage rates-to the general benefit of the .ORG Community. Our data analytics team will explore these dynamics in future reports.

Anti-Abuse Program

PIR operates .ORG as an exemplary registry, one which supports a free, open, and safe Internet. We are entrusted by you to operate in the public interest and we continue to be bold stewards on your behalf. However, as more mission-driven organizations use the Internet, and in particular .ORG domains, to make the world a better place, they unfortunately become targets for nefarious abuse activities. This comes in a range of forms, from technical abuse like phishing, botnets, and malware to the proliferation of child sexual abuse materials (CSAM) or the distribution of opioids. Often, spam is used to enable these abuses.

In October, PIR publicized the core principles that guide our anti-abuse efforts. These principles, however, do not serve as a mechanism for PIR to become a content regulator. In fact, of the over 41,000 .ORGs suspended in 2019 only ten (seven for CSAM and three for opioid distribution) were because of the content associated on those domain names. We believe that these seven principles are the next step in an ongoing, iterative process to create a cleaner, safer, and more trusted space for the .ORG Community.

As more mission-driven organizations use the Internet, they unfortunately become targets for nefarious abuse activities.

1

Registrants can expect to enjoy the benefits of registration, including free expression. Everyone who visits or registers a .ORG domain should be able to express themselves and their views freely as long as they don't breach legal requirements, PIR's Anti-Abuse Policy (**https://thenew.org/org-people/about-pir/policies/org-idn-policies/anti-abuse-policy-org-idn/**), or these principles: **http://www.circleid.com/pdf/Framework_to_Address_Abuse_20191017.pdf**.

2

Due process must be observed in each decision; this includes having a publicly available appeal process. Abuse mitigation can work only if it is seen to be fair and to follow basic principles of due process, including notice through the registrar to the registrant (subject to ordinary limits like law enforcement demands), an opportunity to be heard, an opportunity to cure or correct any Abuses, and the ability to appeal decisions taken. The .ORG Takedown Policy is posted at **https://thenew.org/org-people/about-pir/policies/org-idn-policies/takedown-policy-org-idn/**.

3

We will act transparently with regards to Abuse. Every quarter, PIR will publish its abuse and takedown numbers, including DNS Abuse (like phishing, malware, botnets, etc.), civil court takedown orders, and website content abuse suspensions. Those anti-abuse metrics are available at **https://thenew.org/org-people/about-pir/resources/anti-abuse-metrics/**.

4

We should do what is right, even when it is hard. PIR is fortunate to serve as steward for the trusted .ORG space where so many are doing so much good online. We cannot and will not do the bare minimum on abuse, but we will be forward leaning and thoughtful in all cases. This approach may make waves and prove challenging at times, but if our anti-abuse action is right when all factors are weighed, it should be done. Would it be easy and legally conservative not to take action absent a court order even when a domain name that hosts CSAM or incites violence? Yes, but we don't think it is the right thing to do.

5

Actions will be proportionate and with a clear understanding of collateral damage. PIR as a registry operator can't remove individual pieces of content on a website. Instead, we can only take down the entire domain name, along with any and all e-mail, third-level domains, postings, threads, and all other content associated with the website attendant to the domain. If a website had a handful of instances of illegal content among millions of pieces of content on that site, PIR suspending the entire domain name would not be proportionate or appropriate as it would effectively remove all of the legitimate content and affect not just the registrant but end-users worldwide. Acting at the DNS level to address website content abuse can cause immense collateral damage.

6

We must factor in the scale of harms in making decisions on Abuse. We must weigh all factors and when online harms are severe enough, the strong action of suspending a domain name may be, in some circumstances, an appropriate action. In cases involving CSAM, human trafficking, or other abuse that poses threat to human safety we will not hesitate, consistent with due process and these principles, to act swiftly.

7

Action based on illegality must be apparent on its face. When the abuse takes the form of illegal content, we will work with trusted experts to evaluate the facts and take appropriate action. In some cases the illegality will be clear from the nature of the abuse, but in other it may require a more nuanced analysis and corresponding caution on our part. In many cases, only the courts can make a final determination of what is illegal and what is not.

PIR's Anti-Abuse Principles

Committed to Fighting Abuse

We appreciate that we have a responsibility to protect our .ORG Community, and we believe that our Anti-Abuse Program demonstrates that we take our responsibility seriously. In fact, 2019 was a watershed year for .ORG's work on anti-abuse:

☑ Whereas PIR, like many other registries and registrars, historically took the position that it only would act on "technical abuse of the DNS" in very limited circumstances, we found ourselves wondering if that is an appropriate approach to such an important issue. We decided it was not, and now take a more thoughtful stance on online abuse issues—guided, of course, by our Anti-Abuse Principles (see page 20).

☑ We played a fundamental role helping coordinate the efforts behind the "**Framework to Address Abuse**." With over fifty like-minded registries and registrars we are openly and collectively sharing joint practices that address DNS abuses and, in some instances, abusive website content. Importantly, these shared practices do not create any new DNS policy. Instead, we are working together to articulate what we think are responsible positions and procedures around anti-abuse efforts that we, as registries and registrars, stand behind and will continue to support. We believe these positions respect the principles of due process and free expression, while allowing us to serve as responsible stewards of the .ORG space.

☑ We continue to drive the CSAM Referral Discussion Group, a body formed in 2018 and dedicated to sharing CSAM removal practice amongst domain name registries and registrars. The goal of this group remains to share knowledge and improve our collective practices at finding, addressing, and removing CSAM from the domain name space. That discussion group was joined by various law enforcement and CSAM watchdog groups at a recent meeting that included the National Center for Missing and Exploited Children, the Internet Watch Foundation, EUROPOL, and Homeland Security Investigations.

☑ Our QPI program represents a key parallel for our anti-abuse efforts. Already in its third iteration with fifty seven participating registrars, the data intensive QPI scores are an objective realization of our commitment to protecting the .ORG Community. By assessing each registrar's focus on quality .ORG registrations across a range of factors, PIR is "putting its money where its mouth is" by incentivizing those who maintain high scores. We also actively work with registrars who don't have high QPI scores but are prepared to find realistic and deployable solutions that bridge the quality gap.

We have a responsibility to protect our .ORG Community, and we believe that our Anti-Abuse Program demonstrates that we take our responsibility seriously.

As stewards of the .ORG Community and leaders in the DNS, we are doing more, and we are doing it right now. While this means that most abuse categories saw year-over-year increases in take downs, this was due to PIR's reinvigorated monitoring and mitigating processes—not an organic jump in abusive activity. In fact, after the enhanced identification and remediation was conducted the incidence of such abuses leveled off to the historically low norms that the .ORG Community has come to expect. Of course, we continue to work closely with the registrar of record on remediating abuse cases since (a) it fosters good relations with our customer (the registrar) and (b) they have a direct relationship with the registrant and can better ascertain if it's an actual case of abuse or perhaps the result of some unauthorized access to the domain name. Likewise, anyone can report abuse referrals to PIR by submitting a complaint to **abuse@pir.org**.

Technical Abuse Domain Takedowns by Type

	SPAM	Phishing	Malware	Botnet C&C	Fast-flux	Other Hacking DDOS, etc.	Annual Totals
2015	7,962	1,689	7	0	0	79	9,737
2016	6,695	320	92	3	0	10	7,120
2017	17,604	54	8	1	0	25	17,692
2018	6,208	2,696	114	73	0	12	9,103
2019	16,991	22,959	900	550	0	30	41,430

Source: Public Interest Registry

A useful indicator for how well we operate .ORG as a clean namespace is the "Spamhaus Badness Index." By taking weekly snapshots of this public facing external resource, we can see both the percentage of "bad domains" identified by Spamhaus, as well as their "Badness Score" which takes into account both the percentage of "bad domains" as well as the raw number of "bad domains." Averaging the weekly Spamhaus scores, .ORG has improved year-over-year and continues to significantly outperform other legacy gTLDs in both the percentage of "bad domains" as well as the "Badness Score."

Averaging the weekly Spamhaus scores, .ORG has improved year-over-year and continues to significantly outperform other legacy gTLDs.

Spamhaus Average Scores

	2018		2019	
	BAD DOMAINS	BADNESS SCORE	BAD DOMAINS	BADNESS SCORE
.org	4.1%	0.41	3.4%	0.29
.com	6.4%	0.84	5.6%	0.71
.net	9.8%	1.09	5.0%	0.51
.info	19.2%	2.08	11.6%	1.05
.biz	40.8%	4.52	25.5%	2.36

Source: Spamhaus.org

As should be expected, PIR also manages a robust anti-CSAM program. Due to the challenging nature of this type of abuse and US legal prohibitions, we do not directly review alleged CSAM domains; rather, we rely on legally authorized third parties to conduct research and report the abusive material to appropriate authorities like the U.S National Center for Missing and Exploited Children. We partner with the Internet Watch Foundation (IWF), a UK-based non-profit that is part of the global INHOPE Network which focuses on removing child sexual abuse images and videos from the Internet. IWF conducts a daily scan of PIR's registrations and alerts us to incidences of CSAM for remediation. We then work with the registrar to provide notice to the registrant and require immediate remediation and removal of the content. If the content is not removed by either the registrant or registrar, then PIR will suspend the domain. Since IWF is regularly updating its technology to better root out CSAM, .ORG saw year-over-year increases in reported cases. However, the resolution of these cases-with only seven suspended at the registry-level-is testament to our collaborative anti-abuse approach and our firm commitment to due process.

Child Sexual Abuse Material Referrals

	2018	2019
URLs referred from IWF	447	864
Number of Domains included in those URLs	41	54
Suspensions by PIR	13	7
Domains where content was promptly removed	28	47

Due Process

PIR remains dedicated to the principles of a free and open Internet, including that registrants should be afforded due process before any .ORG is suspended. Due process means notice and an opportunity to be heard with respect to allegations that the content of a website associated with a domain name warrants the disablement of the subject domain name. Moreover, because PIR does not host, edit, or publish content, we believe that related complaints are best handled at the hosting level (with reference to the hosting provider's terms of service.)

PIR also receives court orders directing us to take an action with respect to particular domain names. This typically involves locking, transferring, or suspending the domain name(s). These orders might be criminal seizures initiated by law enforcement agencies, or they may be the results of a civil dispute such as trademark or copyright infringement. As part of its commitment to good stewardship and transparency, PIR publicly shares all of these take down metrics at **https://thenew.org/org-people/about-pir/resources/anti-abuse-metrics/**, and updates the results quarterly.

Botnet Domain Take Downs by Court Orders

Either suspended or seized by LEA

YEAR	DOMAINS AFFECTED
2015	90,958
2016	16,320
2017	30,267
2018	13,927
2019	13,694

These domains are either suspended or seized by LEA.
Source: Public Interest Registry

Law Enforcement Seizures

In a criminal/non-botnet context

YEAR	NUMBER OF DOMAINS
2015	35
2016	5
2017	30
2018	2
2019	1

Source: Public Interest Registry

Civil IP Enforcement

YEAR	NUMBER OF DOMAINS
2015	2,569
2016	1,247
2017	534
2018	1,128
2019	399

Source: Public Interest Registry

Education and Outreach

We remain committed to serving the .ORG community consistent with our mission to help educate those who dedicate themselves to improving our world.

For many years we have accomplished this through a range of sponsorships and original content initiatives via our Education and Outreach (E&O) Program. In 2019, though, we set out to do something bigger and provide more value than ever to the .ORG Community while recognizing the incredible work of .ORGs around the world.

It is in this spirit that we developed two inaugural flagship .ORG Community-focused programs:

.ORG IMPACT AWARDS (OIA)

This new program recognizes and celebrates the accomplishments of individuals and organizations that leverage .ORG to empower change. While it was clear that all of the contestants are doing great things in their communities and online, the full list of winners can be viewed at https://thenew.org/org-impact-awards-celebrate-12-winners-at-inaugural-program-gala/. These individuals and organizations received up to $5,000 contributed to a non-profit of their choosing. The program culminated in a gala reception hosted by Amy Landino at the historic Watergate Hotel in Washington, DC. Noted actor and philanthropist Taye Diggs was a celebrity honoree and joined us in celebrating the variety of inspiring and passionate .ORGs in attendance from across the globe.

.ORG COMMUNITY FORUM (OCF)

This day-long educational event in early October focused on non-profits and helping them leverage technology to achieve their goals. Host Chris Baldwin, an accomplished entrepreneur and .ORG registrant who has found success in a variety of mission-driven endeavors throughout his career, moderated a series of sessions led by noted experts in their fields. Julia Campbell started the day by focusing on the pros and cons of a dedicated website versus social media presence, while Brian Fanzo demonstrated ways to leverage video and social media for more effective marketing. The afternoon included a panel hosted by MarkMonitor's Statton Hammock with Red Cross, AARP, and Wikimedia Foundation colleagues discussing the unique challenges of online brand protection for non-profits. It was followed by InterAction's Brian Wanko and colleagues providing insight into how to defend against disinformation campaigns by special interests or even state actors. You can watch recordings of all of the discussions at https://thenew.org/org-community-forum-delivers-compelling-educational-experience/.

At .ORG, we don't just want to manage the domain; we want to enable the .ORG Community to come together online as we support the community in its efforts to achieve their missions and leverage technology to make the world a better place. To that end, we continued to support various global educational events, including:

- ✓ DNS Forums and Schools on Internet Governance that each train individuals from Latin America, Africa, the Middle East, Asia Pacific, North America, and Europe. These events also help bridge the often-significant gap between policy development and technical implementation by encouraging collaboration to keep the Internet safe and accessible for all users. Collectively, the hundreds of participants in these annual programs join the substantial and diverse alumni bases actively engaging in their local Internet communities.

- ✓ Special issue workshops that do deep dives on particular issues. For example, in October we co-sponsored LACTLD's **workshop** to help judges, prosecutors, and other law enforcement officials better understand the Domain Name System (DNS), organizations that make up this ecosystem, and mechanisms to address objectionable content online. We intend to be more actively involved in future iterations of this unique series, to include focusing on collaboration between domain administrators and law enforcement authorities and the challenges of online content management.

- ✓ While our CTO has contributed his time and expertise over the years to assist the **Network Startup Resource Center** (NSRC) in its technical training courses, to include 2019 DNSSEC workshops in Nigeria and Saudi Arabia, we took a significant step forward in our relationship at the end of the year. Now directly partnered with NSRC, we are co-developing a new training program on DNS resiliency that will provide technical guidance (in both Spanish & English) for network operators whose systems are vulnerable to natural or man-made disasters. The initial course will be conducted in June 2020 in Uruguay, and a second running is expected for the Caribbean before year's end.

- ✓ Finally, we continue to play an active role in the **Internet and Jurisdiction Policy Network**. This multi-stakeholder organization addresses the tension between the cross-border Internet and national jurisdictions. Its Paris-based Secretariat facilitates global policy processes between key stakeholders to enable transnational cooperation and policy coherence. In fact, the Network currently engages more than 300 entities from the world's largest Internet companies, technical operators, civil society groups, academia, governments, and international organizations from over 50 countries. PIR was a founding co-sponsor of the Internet and Jurisdiction initiative in 2011, and currently serves as the coordinator for the Domains & Jurisdiction program.

Culture of Excellence

As highlighted throughout this Report, PIR's Core Values are fundamental in everything that we do. They are the foundation for our Strategic Priorities, which include "strengthening an organizational culture that improves the work environment."

An organization's culture is the beliefs, values, and behaviors that the group has adopted over time to succeed. While it may be easy to say it, actually taking the steps necessary to deliver on this goal requires determination and consistent effort.

For the past two years we have surveyed all of our employees across the full range of issues that define an organization's culture. We chose to use the Denison Organizational Culture Survey because their model is based on over two decades of research linking culture to corporate performance. In fact, the Denison Model answers four key questions about an organization, grouped around mission, adaptability, involvement, and consistency. Each of these traits are further broken down into three indexes that describe the associated behaviors that are both relevant and actionable for the organization. The model is further used to assess internal versus external focus and can reveal "cross patterns" such as top-down versus bottom-up alignment or customer value chain dynamics.

For 2019, improving the organizational culture was a key corporate goal. Although everybody at PIR had a role to play, our Human Resources team led the charge. A renewed focus was placed on communications, both sharing executive deliberations and decisions as well as better engaging staff for their input and constructive criticism. We also did more to incorporate feedback from our registrar customers, the Board, and the PIR Advisory Council. We instituted weekly all Hands meetings to make sure everybody was kept in the loop and felt connected—even if they were participating remotely via video conferencing. Our performance measurement processes were updated, and we established mechanisms to recognize colleagues who had gone above and beyond or deserved a small monetary Spot Award. We even created a "fun team" to plan social events.

For 2019, a renewed focus was placed on communications, both sharing executive deliberations and decisions as well as better engaging staff for their input and constructive criticism.

All of these efforts had their intended effects. The 2019 survey results showed dramatic improvement over the 2018 results.

We are very proud of what we've achieved in terms of our organizational culture. We believe that a fully engaged workforce is crucial to delivering the best possible service in everything that we do. In many ways, this also is part of our larger responsibility to the .ORG Community and delivering exemplary service to help all .ORGs make a positive impact on the communities they serve and in the world.

2019 Culture Survey Results

N=31
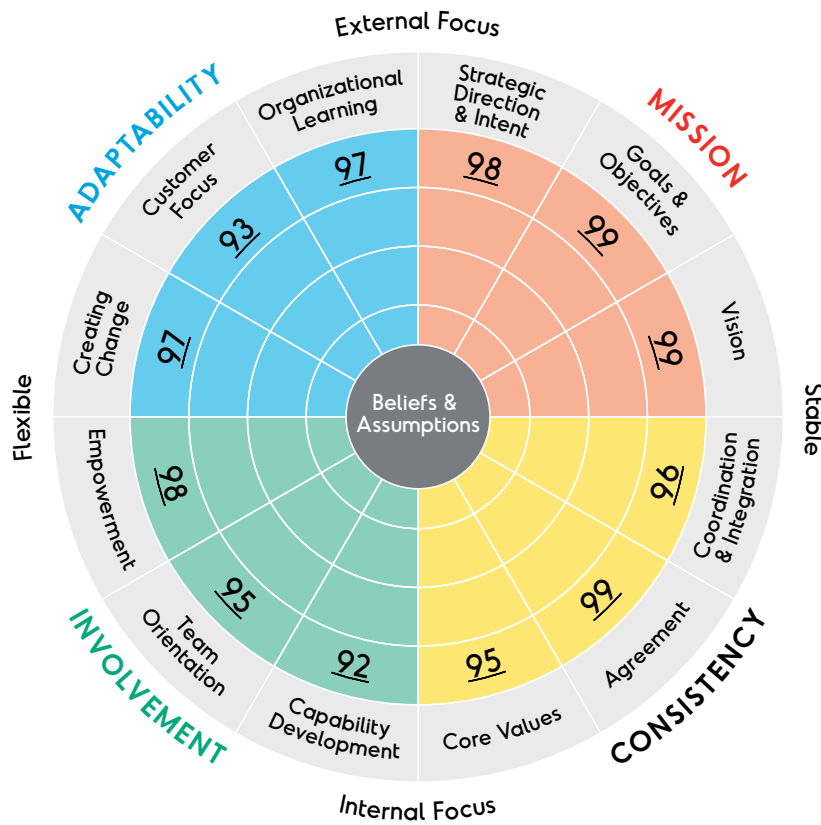
Looking Ahead

As we hope this Report makes clear, we remain committed to delivering on PIR's mission statement. As trusted stewards on behalf of our non-profit mission, we responsibly manage the unique resources entrusted to our care. We continue to operate .ORG as an exemplary registry, provide financial support to the Internet Society and its Foundation so that it can carry out its own important and significant charitable mission, and support initiatives that help those who dedicate themselves to improving our world.

As noted, we delivered on our commitment to improve the quality of the .ORG base through promotions based on data-driven quality scores. In 2020 and beyond—regardless of our ownership—we will continue to act as an exemplary registry. We will refine the QPI and make it a program that other registries and registrars aspire to emulate. We'll also explore ways to thoughtfully enter new markets for .ORG, bringing benefits to new users while maintaining the high standards that the .ORG Community has come to expect.

We'll continue our Education and Outreach efforts and seek new partnerships to extend our reach to additional parts of the .ORG Community. Several initiatives are underway, and we'll have more to say about them on our blog and in next year's Annual Report. We also are participating in a Human Rights Impact Assessment and look forward to sharing the results and any implementation plans with the

.ORG Community. Of course, we're also looking forward to this year's .ORG Impact Awards, and expect an even bigger event with more award categories, participants, and prizes.

Finally, we'll continue to enhance the special team that makes up PIR. We'll do that through select new hires, professional development, and a steadfast commitment to investing our organizational culture. We also plan to move into new offices before the end of the year and will use the opportunity to consider our environmental impact on whatever space we select. Stay tuned for details about these exciting and impactful new initiatives and others in next year's PIR 2020 Annual Report.

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