



CIRA Corporate Plan Fiscal Year 2015

February 18, 2014

Introduction

CIRA's primary mandate is to run a world-class registry and domain name system (DNS). As a Member-driven not-for-profit, the organization also has the unique responsibility of advancing the Internet for the benefit of all Canadians. Building on this, CIRA will significantly invest across four key strategic areas in FY15 – both in terms of time, money and acquisition of required skills – in order to develop new products and services that meet the expectations of Canadian Internet users today and anticipate their needs tomorrow. Our planned areas of investment will directly benefit our core business – registry and DNS services – assuring safe, secure and stable operations well into the future.

.CA's growth since the Canadian Internet Registration Authority's (CIRA) founding just 13 years ago has been explosive. From only 60,000 domains under management (DUM) when CIRA took over the management of .CA in 2001, the .CA registry reached one million in only eight years, and then doubled in size only five years later. There are now more than 2.2 million registered .CA domains.

After decades of solid growth, the domain name industry is now facing its first major shake-up. The market is maturing and overall domain growth rates have been declining over the last few years. New ways of navigating the web – increased access using mobile applications, for example – and now, the introduction of hundreds of new generic top-level domains (gTLDs), will challenge CIRA to remain relevant, expand its service offering and increase its value proposition to respond to our customers' changing needs, all the while continuing to be the domain of choice for Canadians.

As Internet-related technologies quickly evolve, CIRA must remain at the forefront. Our track record of being a best of breed registry has entrenched .CA's reputation as a safe, secure and trusted domain. Our work in domestic and international Internet governance, combined with our various community investment initiatives to enhance the Internet for all Canadians, have helped position CIRA as a strong voice for Canada's Internet community.

To maintain relevance in this changing market, CIRA has taken an increasingly customer-focused approach. Beginning with the redesign of our decade-old registry, investment in critical infrastructure, process improvement and operational efficiencies, CIRA has, over the last few years, made its Members, Registrars, Registrants and DNS users the primary focus in all that we do. In addition, CIRA is engaged in building linkages with the larger Canadian Internet community by investing in a myriad of activities that advance the Internet for the benefit of all Canadians through its Community Investment Program.

As we enter the second year of our three-year strategic plan, CIRA must continue to adapt to its ever-changing environment and innovate in order to stay on course to achieve its primary corporate goal:

.CA is a recognized leader and trusted voice in the Canadian Internet community

CIRA will be making a material investment across all four top-level strategic themes, with continued emphasis in the areas of Safe, Secure and Stable, and Market and Customer Focused. The four top-level strategies as detailed in the FY14-16 Strategic Plan are:



*Principle: Predictable funding, subject to organizational requirements.

Corporate Profile

The Canadian Internet Registration Authority is the Member-driven not-for-profit organization that manages Canada's .CA domain name registry, develops and implements policies that support Canada's Internet community, and represents the .CA registry internationally.

The Government of Canada has formally recognized and designated CIRA as the administrator of the .CA domain space. Within this context, CIRA operates the .CA domain space as a key public resource on behalf of Canadians.

Vision

CIRA's vision is to be a world-class Internet registry that is recognized and valued by the Internet community and Canadians.

Mission

CIRA's mission is to foster the development of .CA as a key public resource for all Canadians by providing stable, secure and trusted domain name services, and by taking a leadership role in shaping Canada's Internet for the benefit of all .CA domain holders.

Values

We believe that fairness, transparency and high ethical standards are the foundation of our culture.

CIRA is committed to a collaborative team environment that seeks continuous improvement and breakthrough ideas through innovation.

At CIRA we are committed to exceeding stakeholder expectations through excellence in operations, service delivery and engagement.

We believe in being a positive influence in the communities where we provide service and do business.

Membership and Stakeholders

As a not-for-profit, CIRA is governed by its Member-elected Board of Directors. CIRA membership is free and open to any .CA Registrant who is interested in participating in the governance of the corporation and contributing to the development of the Internet in Canada. Members may attend and vote at annual general meetings, vote for CIRA's Board of Directors and vote on changes to CIRA's by-laws. From time to time, Members are asked to participate in consultations and surveys on issues and opportunities that affect .CA and the Internet ecosystem. In short, membership provides a unique opportunity for .CA Registrants to become active citizens in .CA, Canada online.

Registrants — active .CA holders — are one of CIRA's most important stakeholder groups. The approximately 1.7 million Registrants who hold .CA domain names are our customers who use .CA to build their brands, both personal and business, online. We work hard to ensure that their online .CA experience is positive and within an environment that continues to be safe, secure and trusted.

Our Registrars, who register and manage .CA domain names, are critical stakeholders. They are our partners who provide the conduit through which we deliver our product to the market and are a vital link in the relationship we have with our mutual customers. Our relationship with our channel partners will continue to evolve in the face of a rapidly changing domain industry driven by new gTLDs and the changing navigation landscape within the Internet.

A broader, less defined stakeholder group — yet no less important than the others — is all .CA DNS users. This includes all Internet users, in Canada and around the world, who access .CA websites or send correspondence to .CA email addresses. It is for these users, and their hundreds of millions of daily DNS queries, that CIRA must ensure .CA remains safe, secure, and available 100 per cent of the time. It is trust in our security and reliability that provides value to our customers.

Industry Canada is a significant stakeholder with a non-voting seat on our Board of Directors. Additionally, CIRA actively participates in a broad range of international fora on Internet governance, policy and technology where we influence policy-making at the highest level. We contribute and are kept well-informed about the very latest in policy, security and performance development issues.

Beyond our Members, Registrants, Registrars and DNS users, the Internet has become a catalyst in the evolution of the economic, social and cultural interactions of all Canadians. Given that CIRA makes certain that critical elements of the Internet work in Canada, this fundamentally makes all Canadians important CIRA stakeholders.

Planning Environment

Heading into FY15, the domain name environment is quickly changing. A number of key factors are at play which will have implications for the coming year.

With the delegation of the first new gTLDs occurring in late-FY14, the structure of the domain name industry is rapidly evolving while the longer term trend of domain name registrations continues to slow down compared to historical double-digit growth. ICANN predicts that delegation from the 1814 active applicants will continue at a rate of 20 new gTLDs per week. Innovative business models will surely challenge the status quo. Applications from giants like Google and Amazon may be game changers and bring completely new models to the domain industry. Key industry player Donuts has applied for hundreds of new domain name extensions, and could offer new marketing options including domain bundling. Uniregistry will be offering several new domain registries for specific communities of interest (whereas communities have traditionally gathered around their geographic-based country-code top-level domain). And, a growing number of country codes, including .co (the country code for Colombia), are rebranding themselves to appeal to a broader market.

On the Internet governance front, recent revelations about the extent to which governments are monitoring Internet activity have eroded trust amongst the general population in institutions and governments. The breadth and depth of U.S. monitoring is serving as a catalyst for increased governance discussion at a global level. Although there are many implications to consider, one potential outcome that has a direct impact on CIRA is that ccTLDs could become subject to increased scrutiny and/or regulation.

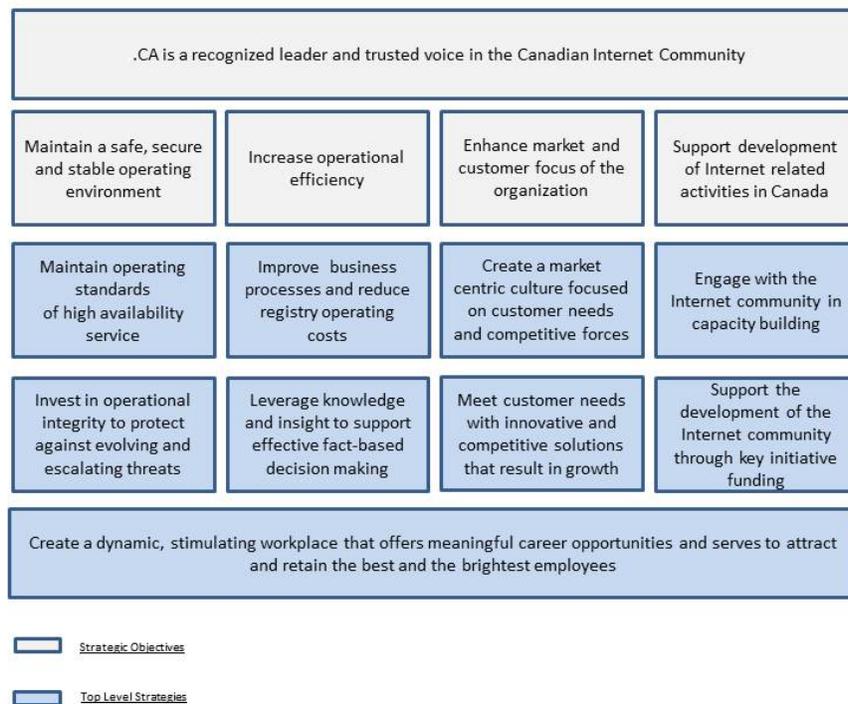
Threats to online security have grown and continue to evolve. We are seeing a dramatic increase in targeted attacks, new vulnerabilities (particularly in mobile), breaches, and distributed denial of service attacks perpetrated through a variety of means including people, technology and process. Increasingly, Registrars and Registries are at risk, as evidenced by several security incidents globally over the past year. As a result, Internet user confidence is being seriously eroded.

Strategy

To support its strategic plan for FY14-16, CIRA developed a new Strategic Framework that will help structure and guide the organization's activities.

The primary objective of being a recognized leader and trusted voice in the Canadian Internet community is a natural evolution from CIRA's previous three-year strategic plan. It reflects a more complex goal needed to ensure the effective stewardship of .CA, while the organization focuses on growth and continues to support the development of the Internet.

Strategic Objectives and Top Level Strategies



This primary goal is underpinned by four focus areas:

- Safe, secure and stable.
- Operational efficiency.
- Market and customer-focused.
- Internet-related activities in Canada.

The following pages outline each strategic objective and its primary associated activities for FY15. For a listing of all FY15 projects and initiatives that shows their detailed alignment with CIRA's top-level strategies, please see Appendix A.

1) Safe, Secure and Stable

First and foremost, the domain name space must continue to be safe, secure and stable. The resiliency of the .CA domain is one of its greatest attributes, and this solid reputation will assist .CA in gaining mindshare amongst Canadians and support their efforts to establish an online presence. This will ultimately bolster Canada's competitive advantage.

.CA Anycast deployment

This project represents CIRA's largest expenditure under Safe, Secure and Stable and is intended to build on the resiliency of our .CA DNS infrastructure to positively impact anyone visiting a .CA website. Canadian site deployment will be at Canadian Internet Exchange Points (IXPs), with additional deployment in datacentres around the world. This will expand the services available at Canadian IXP locations and ultimately benefit the entire Canadian Internet ecosystem. Deployment will be ongoing throughout FY15 with the first anycast nodes live in Q1.

DNSSEC market adoption

The Domain Name System Security Extension (DNSSEC) is a technology that provides more surety to the DNS and a more stable online environment for our .CA users. Essentially, it ensures the websites you visit are genuine. In FY14, CIRA developed technology in our registry to accept registrations of signed .CA domains via our channel partners. In FY15, CIRA will work with its Registrar partners to foster the adoption of DNSSEC among Registrants in order to secure a safer Internet experience.

Registry security bundle

Sometimes big impact can come from small changes. In Q1/Q2 FY15, CIRA is planning a series of upgrades and architectural changes which will further enhance registry security.

Business continuity planning

In FY14, CIRA built the infrastructure requirement to support its new business continuity and recovery plans, and conducted IT continuity testing to evaluate them. Additionally, a framework was developed to implement a seamless crisis protocol that integrates all of CIRA's response procedures. In FY15, CIRA is planning additional simulations throughout the year to ensure the organization is well-prepared to address a wide variety of possible threats or crises. Moreover, ongoing efforts will be made throughout the year to ensure the organization remains able to maintain response times laid out in the Business and IT Continuity Plans approved in FY14.

2) Operational Efficiency

We will strive to be prudent with our operational expenditures and where practical, we will endeavor to do more with less.

Automated Regression Testing

An EPP regression rewrite and automation in Q3/Q4 will allow CIRA to significantly enhance its testing framework and reduce regression execution time by 85-90 per cent. This work is supportive of both our existing development environment and a new development environment being built for new products and services.

Web architecture rebuild

CIRA has undertaken several initiatives over the past five years to implement best practices and streamline out-of-date process and infrastructure. In that same vein, the Web architecture rebuild will tackle one of the organization's last vestiges of legacy applications, technical infrastructure and processes. The outcome will be to unify CIRA's web properties into a scalable web architecture that will not only position CIRA for future growth, but will build internal capacity to allow for ongoing advancement of CIRA's web properties. This project will span most of FY15.

Corporate performance management/business intelligence

In FY14, corporate performance management and business intelligence were key areas of focus for the organization. The former entails incremental improvement in the quality and measurement of our financial and operational metrics, and enhancing structured reporting. The latter seeks to improve the usefulness and availability of underlying data, information, and market insight on which CIRA relies to make product and project investment decisions. In the first half of FY15, CIRA will implement its initial balanced scorecard, which will contain metrics for all objectives and elements of the FY14-16 strategic plan. CIRA will continue gathering industry-related market research, and will enhance its own corporate market research to better measure ongoing progress on key metrics such as customer satisfaction.

Collection of missing Registrant data

Launched at the end of FY14, CIRA will continue, throughout FY15, this initiative which aims to ensure data consistency within the Registry by requiring Registrars to provide missing Registrant contact information. The collection of missing Registrant information will strengthen the integrity of the data contained within the .CA Registry and will ensure that the .CA Registry is aligned with industry standards. In the coming months, we will be working primarily with our Registrars, with some outreach to our Registrants.

Board of Directors election

As a Member-driven organization, CIRA's annual general meeting and its Board of Directors election process are key channels to engage Members and ensure stakeholders can provide input into the direction of Canada's Internet. In FY15, CIRA will be completely upgrading its Board of Directors election process. Previously driven by a technologically-complex system, the new election process will be simplified, Member- and customer-driven, far more agile, and will lead to significant cost and resource efficiencies internally. The aim is for the streamlined process to be simpler for Members to participate, leading to increased engagement in this critical process.

Corporate organization development

As a rapidly-growing, opportunity-based employer that requires highly-skilled knowledge workers, CIRA must become an employer of choice to recruit the best talent that will help us meet our strategic objectives. In FY15, CIRA will look to improve its end-to-end recruitment processes to enhance our ability to attract and retain resources. We will ensure that we externally position ourselves in a manner that is consistent with our brand, and reflects CIRA's exciting growth and unique opportunities.

CIRA will also continue with the implementation of its fulsome Sharepoint-based Intranet, which will facilitate document retention and collaboration throughout the organization. As the organization grows and the number and complexity of projects increase, this platform will become essential to facilitate internal effectiveness.

3) Market and Customer-Focused

A market and customer focus is vital in the uncertain and evolving domain name market. CIRA will be aware and ready to respond to the emerging domain name landscape to ensure a continuous, viable revenue stream. In addition to maintaining and gaining new registrations, CIRA will develop complementary products and/or services with a low risk profile in FY15 to ensure we continue to meet our customers' needs, foster new revenue streams and continue to advance the Canadian Internet ecosystem.

FY15 is the initial year of a multi-year material investment in the development of new product and service lines stemming from CIRA's core operations. The first year will be marked by development activity, building and deploying the underlying infrastructure to support our contemplated service offerings. In year one, minimal revenue is anticipated.

Preliminary projections are that CIRA could approach a break-even annual operating position on these new activities by year three, with a fuller recovery of our overall reinvestment occurring several years down the road.

Managed DNS services

A primary area of new product development for CIRA in FY15 will be Managed DNS Services, which are intended to provide customers with flexible services aimed at improving the reliability and resiliency of their existing DNS architecture. This new infrastructure will leverage the Canadian and international locations chosen by the .CA Anycast Deployment (see: Safe, Secure and Stable) and form the foundation for DNS services to new gTLDs, existing ccTLDs and websites that are frequently surfed by Canadian Internet users.

CIRA's managed Anycast DNS network will be designed and built during the first half of FY15. Network testing will occur during Q3 with early customer deployments in Q4. Substantive revenue recognition is not forecast until FY16. The net result will be a Canadian DNS network providing a higher performance experience to Canadians carrying out business and other transactions online in Canada.

Registry Lite

CIRA will investigate the viability of re-purposing and running the technology and systems that underpin the .CA Registry using lower cost, more flexible open source technology, creating a generic registry platform. The expected result would be to deliver a registry platform that can operate at a lower operating cost, with sufficient security and the required level of base functionality that new gTLDs and smaller existing ccTLDs would be seeking in a product and/or service offering managed for them by CIRA. Any advancements or efficiencies acquired through this development effort would directly benefit CIRA's management of the .CA Registry since the Registry Lite program will give CIRA the opportunity to explore new technologies and capabilities in a development environment outside of the core .CA platform.

Development on the Registry Lite platform will continue throughout FY15 with a beta product available in Q4 targeted at the new and existing TLD market.

Domain Spinning

CIRA is working with industry-leading domain suggestion technology to provide registration suggestions for .CA domains. In the event a desired domain is unavailable, this technology will suggest meaningful

alternatives to maximize the end user experience and increase .CA registration opportunities for Registrars.

In Q1 of FY15, CIRA will promote this service to Registrars, and also implement it within the sales funnels on its own web properties. The net result will be to offer Canadian customers a better .CA registration experience, while providing .CA Registrars with an opportunity for increased sales.

Other market opportunities

Building on .CA's commitment to a safe, secure and trusted domain namespace, CIRA will undertake several new initiatives in FY15 that have been precipitated by the ever-changing Internet landscape. CIRA will collaborate with the Canadian Cyber Incident Response Centre (CCIRC), the organization tasked with ensuring that many of the services which Canadians rely on daily are secure, including the .CA domain space. This project involves developing a modified CIRA messaging solution that allows CCIRC to alert domain holders of malicious activity and compromises of their web assets while maintaining the Registrant's confidentiality and privacy. This will roll out in the Q2/Q3 timeframe and will directly benefit .CA Registrants and the entire .CA domain space.

In addition, we will be launching a new product feature: Registry Lock, a security service targeted at high value/high traffic domain names. This will enable Registrants to secure their websites against unauthorized and other malicious activity. Registrars can begin offering this service to Registrants in the first quarter of FY15.

Registrar support and development

Registrar support will continue to be a priority for CIRA. The mass arrival of new gTLDs in FY15 will put pressure on our channel partners to offer many more competitive entrants. This will ultimately change the dynamic at the retail level and make it more challenging to maintain our current strong positioning within the channel. To mitigate this threat, .CA will continue to offer price promotion opportunities and a co-op advertising program for our partners. CIRA's popular Registrar marketing bootcamps and symposium will also be returning.

CIRA is proud of its collaborative relationship with its channel partners: we regularly consult with Registrars to understand how we can serve them better, and aim to respond to their recommendations. It was at such a request that in late-FY14 CIRA began allowing Registrars the option of participating in a newly created semi-monthly credit program. CIRA will continue to work with Registrars to identify ways to optimize this very important relationship.

In addition, CIRA continues to eliminate pain-points for our Registrars, simplifying the process of promoting .CA and bringing us in-line with industry standards. One such example is a review of the 60-day lock on Registrant to Registrant transfers, which has been a cause of substantial dissatisfaction among both Registrants and Registrars since it was first implemented. The removal of this lock in Q1 FY15 will bring .CA in-line with the industry standard. This streamlining of .CA builds on successes from prior fiscal years, such as the simplification of Registrant system email messaging conducted in 2014.

.CA brand building

.CA will continue building its brand in the Canadian marketplace. Although currently well-positioned, it is necessary to reinforce our brand identity as the number of market entrants and customer choice expands with the arrival of new gTLDs. The overall strategy, deployed throughout FY15, will include digital advertising, content marketing, enhanced Search Engine Optimization (SEO) and greater outreach

through public relations activity. The ultimate objective will be to get more .CAs in the hands of Canadians which benefits Canada's digital competitiveness and the Internet as a whole.

Customer satisfaction tracking

CIRA will continue to monitor the satisfaction of its key stakeholder groups. This tracking study, in its fifth year, provides insight into customer satisfaction among our Registrants, Registrars and Member stakeholders. In addition, it provides valuable information about the attitudes and perspectives on Internet usage and domains among our core audiences, as well as key influencers and the general Internet population. Insights derived from this research allow CIRA to make any necessary adjustments to optimize its service offering and also be a source of unique, impartial information on Internet usage in Canada.

4) Internet-Related Activities in Canada

The objectives of being safe and secure, efficient and market/customer focused will combine to build a vibrant and healthy organization over the long-term. This will also ensure that CIRA achieves its goal of continuing to undertake Internet-related activities in Canada.

Community Investment Program

In FY14, CIRA staff supported the launch of an arms-length investment committee to administer and distribute funds to third parties implementing initiatives to support the advancement of the Internet in Canada. An initial call for applications for potential projects from Canadian researchers, not-for-profit and community organizations was launched in FY14. In FY15, CIRA will launch the next round of funding applications, while supporting the projects selected based on the FY14 call for applications.

Third party organizational support

CIRA will consider supporting Canadian organizations capable of engaging in a wide spectrum of Internet issues, including policy, governance, technology and development, to ensure a healthy, sustainable Internet is available to everyone.

Canadian Internet Forum

The Canadian Internet Forum (CIF) will enter its fifth year in FY15 and will continue to form the basis of CIRA's participation at the annual international Internet Governance Forum, which is a UN-sponsored, global multi-stakeholder meeting held regularly over a five-year lifespan. This is a unique opportunity for Canadians to participate in and have a say on the direction the Internet should take in Canada.

State of Internet

The purpose of this project is to conduct an analysis of the health and function of the Internet in Canada. We will begin a pilot test project with the deployment of three probes into strategic Internet Exchange Points (IXP) across Canada. A prototype web site that will provide Canadian Internet users access to a test that measures the speed of their Internet connection against each probe will be developed and deployed. Findings from this project will be shared with Canadians, with the aim of helping to build a faster, stronger and more resilient Internet. Results from this pilot project will also help develop a business case for future national deployments.

Internet Exchange Points

CIRA's objective is to be a catalyst that facilitates the development of a national IXP fabric that helps create a more robust and economical domestic Internet for all Canadians. Throughout FY14, CIRA assisted existing IXPs in Toronto and Ottawa and while supporting the continuing development of IXPs in Montreal, Winnipeg, Vancouver, Calgary and Halifax. In FY15, CIRA is planning to further support the IXP community including a possible new IXP in New Brunswick and growing the adoption of existing IXPs in those communities.

Other opportunities

CIRA will engage in additional activities and sponsorships that support the Canadian Internet community as appropriate opportunities present themselves.

Financial management

CIRA Operating Budget FY15

	FY15 Budget (\$)	FY14 Budget (\$)	Year over Year \$ Change	Year over Year % Change
Revenue	18,925,400	17,467,286	1,458,114	8.3%
Infrastructure / DNS	4,515,252	3,739,091	776,161	20.8%
Finance & Administration	3,407,904	3,165,010	242,894	7.7%
Marketing & Communications	2,376,447	2,312,665	63,782	2.8%
Development	2,329,671	2,030,206	299,465	14.8%
Amortization	1,920,000	1,680,000	240,000	14.3%
Channel Management	764,378	797,100	(32,722)	-4.1%
Legal & Policy	742,211	1,111,194	(368,983)	-33.2%
Board of Directors	547,394	537,304	10,090	1.9%
Total Operating Expenses	16,603,257	15,372,570	1,230,687	8.0%
New Ventures	1,914,171	745,851	1,168,320	156.6%
Product Development Strategy	576,002	298,865	277,137	92.7%
Community Investment Program	1,400,000	1,050,000	350,000	33.3%
Excess of revenue over expenses / (Operating Deficit)	(1,568,030)	0	(1,568,030)	N/A

CIRA Capital Plan FY15

	FY15 Budget (\$)	FY14 Budget (\$)	Year over Year \$ Change	Year over Year % Change
Computer Hardware	1,273,000	904,000	369,000	40.8%
Leasehold Improvements	410,000	0	410,000	
Computer Software	180,000	448,000	(268,000)	-59.8%
Office Equipment	150,000	0	150,000	
	2,013,000	1,352,000	661,000	48.89%

Appendix A: Activities Aligned with Top-Level Strategies

Strategic Objective: Safe and Secure

Project/Initiative Name	Safe & Secure	Operational Efficiency	Market & Customer Focused	Internet-Related Activities
.CA Anycast Deployment				
DNSSEC Market Adoption				
Registry Security Bundle				
Business Continuity Planning				

Strategic Objective: Operational Efficiency

Project/Initiative Name	Safe & Secure	Operational Efficiency	Market & Customer Focused	Internet-Related Activities
Automated Regression Testing				
Web Architecture Rebuild				
Corporate Performance Management/Business Intelligence				
Collection of Missing Registrant Data				
Board of Directors Election				
Corporate Organizational Development				

Strategic Objective: Market & Customer Focused

Project/Initiative Name	Safe & Secure	Operational Efficiency	Market & Customer Focused	Internet-Related Activities
Managed DNS Services				
Registry Lite				
Domain Spinning				
Other Market Opportunities				
Registrar Support and Development				
.CA Brand Building				
Customer Satisfaction Tracking				

Strategic Objective: Internet-Related Activities

Project/Initiative Name	Safe & Secure	Operational Efficiency	Market & Customer Focused	Internet-Related Activities
Community Investment Program				
Third party organizational support				
Canadian Internet Forum				
State of the Internet				
Internet Exchange Points				
Other opportunities				

Legend:

