



EURID'S QUARTERLY PROGRESS REPORT
TO THE EUROPEAN COMMISSION



SECOND QUARTER **2006**

PREPARED ON JULY 28

EURid



YOUR EUROPEAN IDENTITY

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Executive Summary

.eu is now well on its way to being an established top level domain. At the end of the quarter .eu received its two millionth registration, making it the third largest ccTLD in Europe. Registrations from all the EU member states helped .eu reach this milestone, the largest contributors being Germany, the United Kingdom and the Netherlands.

EURid and its validation agent still have to validate a small percentage of the applications made during the Sunrise period. The prognosis is that these applications will be validated by the end of September. Thus far acceptance rate of applications is about 70 percent.

EURid is also growing in manpower and had 25 full time equivalents on the pay roll at the end of the quarter. It plans to further increase the staff to cope with the huge interest from the European Internet users.

All the .eu domain name related processes have been introduced and tested. Amongst other things, 342 ADR disputes have been initiated and 62 of these decided upon. Also, it is now possible to transfer a domain name between registrars or registrants. Approximately 200 domain names are transferred daily.

The work against abuse is also ongoing. EURid investigates registrations where it has reasons to believe that the eligibility criteria is not fulfilled and names are being put on hold where the holder fail to prove that he/she does live within the EU.



Comments from the Managing Director

After a hectic start .eu is now gradually entering a period of more normalised business activities. We are still working on fine tuning and smoothing out all the processes, but the launch went according to plan and we have seen a huge interest from the market since then. Also, although .eu is already one of the world's biggest TLDs, I think there is still a huge potential for growth in the coming years because as the EU plays a more important role, there will be more users wanting to convey a European identity on the net. I look forward to seeing all the websites using the .eu address as more and more domain names are activated.

MARC VAN WESEMAEL
Managing Director of EURid

About this document

EURid presents quarterly a report on the progress of the .eu domain to the European Commission. This is the second report for 2006. The first one included the general launch of .eu although it took place in early April. See the EURid website (www.eurid.eu >> "About EURid").



Background on EURid and .eu

EURid is a not for profit organisation appointed by the European Commission to be the operator of the Internet top level domain .eu.

The first initiative, to establish .eu as a European top level domain, was taken in 1999 by the European council. Subsequently, various preparations were made, mainly by the European Commission, until EURid was appointed in May 2003 as the operator of .eu, with the service contract being signed in October 2004.

EURid was founded in April 2003 by the organisations operating the national top level domains for Belgium, Italy and Sweden. Later, the organisations operating the top level domains for the Czech Republic and Slovenia also joined EURid as members.

.eu was put in the root zone of the Internet Domain name system (DNS) in March 2005 which means that, technically speaking; it has been in existence since then.

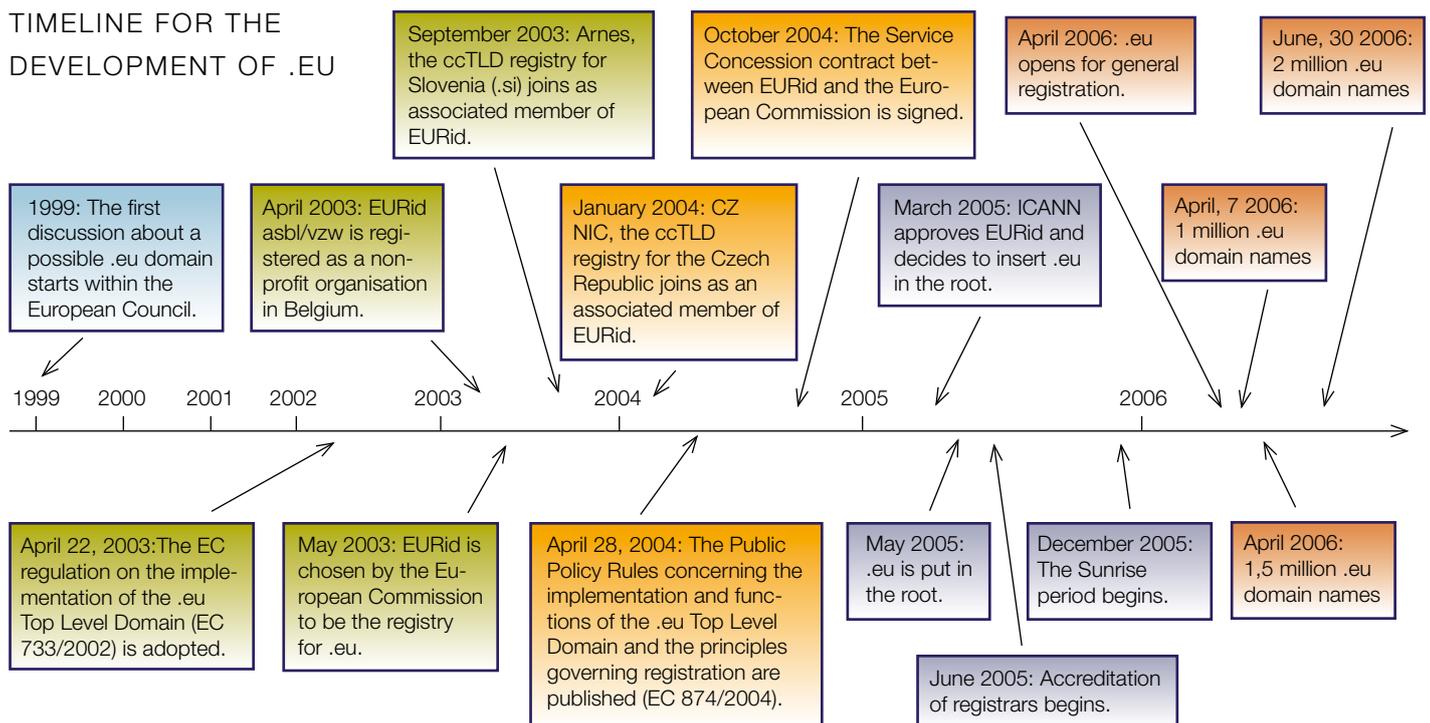
.eu began accepting applications for domain names from end users on December 7, 2005. At that time, only holders of prior rights to names enjoying specific legal protection in a member state could apply for those names as domain names before .eu opened for general registration on a strictly first-come-first-served basis on April 7, 2006. This period of phased registration (Dec 7, 2005 – Apr 6, 2006) is referred to as the sunrise period.

For further information about .eu, see:

EURid's website: www.eurid.eu. Also the European Commission's site on .eu:

http://europa.eu/information_society/policy/doteu/index_en.htm

TIMELINE FOR THE DEVELOPMENT OF .EU



More than 2 million .eu domain names registered

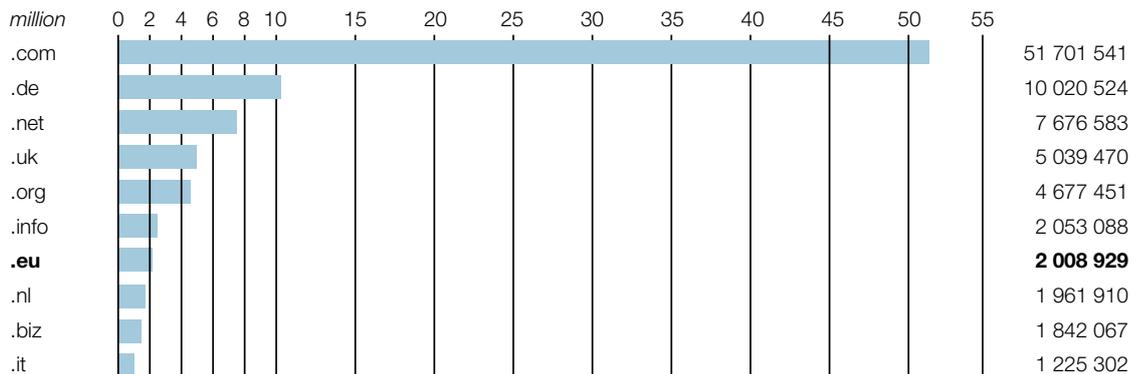
With literally five minutes to spare before the end of the second quarter, .eu registered its 2 millionth domain name (On June 30 at 23:54:46,047). Domain name number 2 000 000 was “ayurveda-vitalprodukte.eu” and was registered in Germany.

By passing the Dutch .nl during the second quarter .eu became the third largest national top level domain (ccTLD) in Europe and the world. Now only Germany's .de and the British .uk have more registrations within Europe. Globally it is the 7th largest top level domain (TLD) and has a bit of catching up to do with .info, .org, .net and .com.

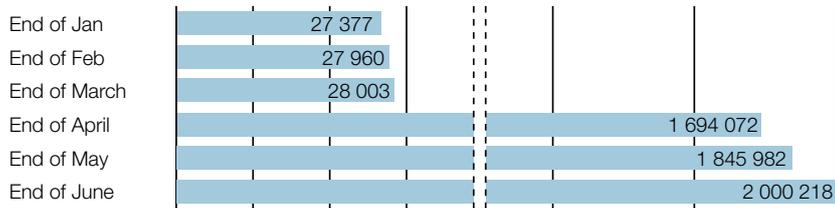
For updated .eu statistics per country of registrant and more, see <http://status.eurid.eu>

WORLD TOP TEN LIST OF TLDs

(Statistics from the websites of the TLDs and www.domain-recht.de on July 4)

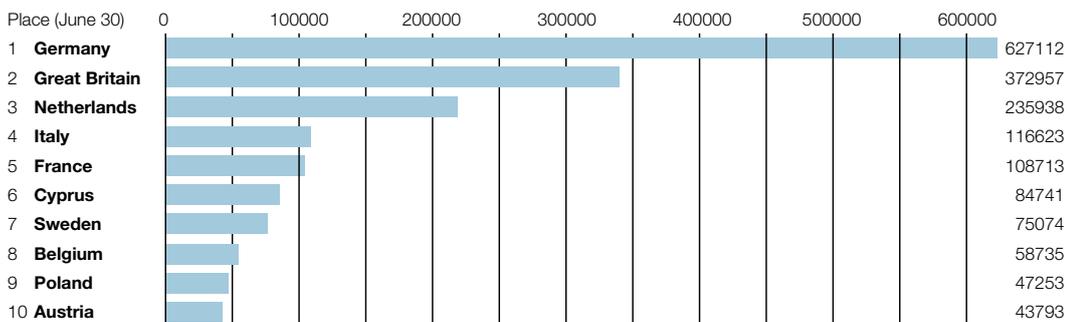


Number of active domain names



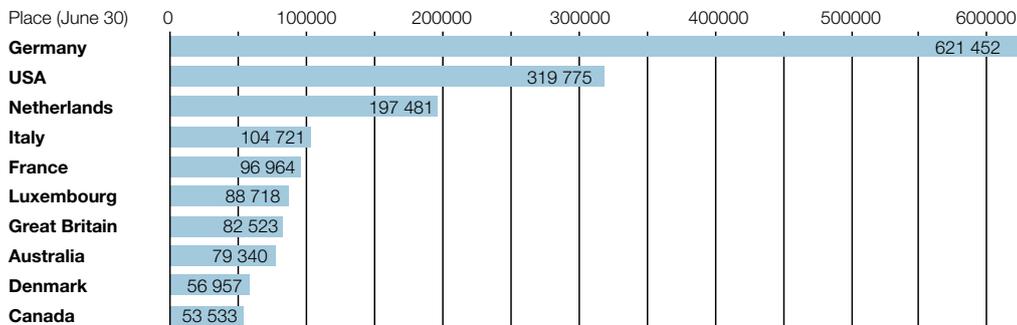
Before April 7, the only active domains were the ones that had been applied for during Sunrise and that had been accepted during the validation and passed the 40-day deadline for a possible dispute. Consequently, there were fewer active domain names during the first three months. From April 7 and onwards domain names become active directly upon registration.

Total number of active domain names per country of registrant (Top-ten list as of June 30)



The countries with the highest number of .eu domain name holders correlate closely to the countries that showed the greatest interest in .eu during the Sunrise period. Similarly there is also a correlation between the number of national domain names (ccTLD) a country has and the interest shown by that country in .eu.

Total number of active domain names per country of registrar (As of June 30)



Sunrise validations almost finished

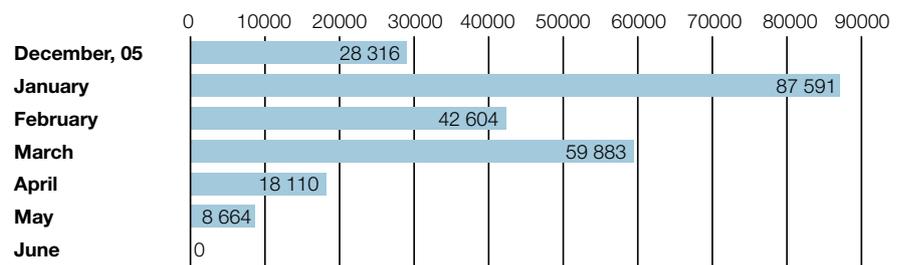
Sunrise validations are still ongoing, but by the end of the second quarter the validation agent, PricewaterhouseCoopers, had validated almost 140 000 applications, this number being about two thirds of all the validations to be done.

Virtually all applications based on the prior rights trademark and public body were validated before the end of the second quarter and the prognosis is that the vast majority of validations for all categories will be done by the end of September this year. The average acceptance rate is just above 70 percent.

Domain names that were unsuccessfully applied for during Sunrise and that were not attributed to anyone are again made available for general registration. These names are released after the period for initiating a dispute (ADR) has passed. These Sunrise releases take place weekly on Tuesdays. The first Sunrise release, on June 7, also included all domain names for which applications had expired.

The Sunrise WHOIS entry for a domain name reflects its planned release date.

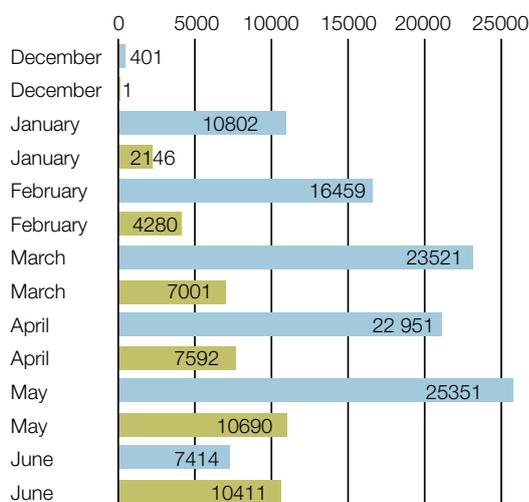
Documentary evidence received during:



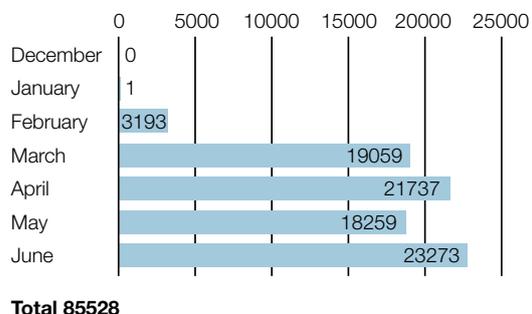
The last date on which interested parties could file a Sunrise application was April 6 and applicants then had 40 days to send in their documentary evidence. Hence the last date for the Validation agent to receive documentary evidence was May 17. The higher numbers for February and March reflect that many applicants submitted documentary evidence within the 40 day deadline after the major launches of December 7 and February 7.



No. of accepted Sunrise application during: ■
 No. of rejected Sunrise application during: ■



Number of activated applications per month



The Sunrise audit will be conducted by Fujitsu

EURid has appointed Fujitsu Services to conduct an independent audit of the Sunrise process. The purpose of the audit is to confirm that the registry's operational and technical administration of the phased registration (Sunrise) period was fair, appropriate and sound. This audit is laid out in the Public Policy Rules (EC 874/2004) article 12.5 and the auditor will report to the European Commission.

Shorter phone support queues

Since June 12, statistics show that the EURid support desk has drastically improved its service levels. On average, callers now wait less than 30 seconds before being assisted and, since a few adjustments were made no caller has ever had to wait more than 1 min 30 seconds before speaking to one of our representatives.

These improved service levels are as a result of fine-tuning the dispatching of incoming calls. In addition, extra German and Dutch speakers have supplemented the support team, German and Dutch being the most common languages in which EURid staff have to field calls. EURid has also made some other changes in availability in the smaller languages.

EURid has also improved the email support by implementing a new email request system.

About 200 transfers of .eu domain names per day

During the second quarter of 2006 EURid starting accepting requests from registrants who want to transfer their domain names to another registrar. This process is initiated by the new registrar on behalf of the registrant and has to

be confirmed by the registrant. Transfers cannot be influenced or obstructed by the original registrar. It is also possible to transfer a domain name from one registrant to another. In this case both the new and the old registrant have to confirm the transfer before it is processed.

EURid processes approximately 200 transfers per day.

Increased staffing for EURid

EURid is still in a phase of growth. This is reflected in the increasing number of staff. Between January and June the staff grew significantly, with more than 30 percent of employees being counted as full time equivalents. EURid has a fairly high number of part time staff. The reason for this being that support has to be given in all European languages and the demand for languages varies. English, German and Dutch are the most popular languages, with each of these languages having more than one support officer while the smaller languages do not justify a full time support person.

To cover for all the languages EURid has people representing 19 nationalities on the pay roll.

Number of staff during the first half of 2006

	Jan	Feb	Mar	Apr	Jun
Full time staff	16	17	18	19	21
Part time staff	7	9	9	9	10
total	23	26	27	28	31
Full time equivalents	19	21,5	22,5	23,5	25

Proportion female/male counted as full time equivalents in percent

	Jan	Feb	Mar	Apr	Jun
Male	58,2	56,2	53,6	55,6	52,0
Female	41,8	43,8	46,4	44,4	48,0
Total	100,0	100,0	100,0	100,0	100,0

EURid watches the eligibility criteria

To be the holder of a .eu domain name you have to be from within the EU, as described in the eligibility criteria of the EC regulation 733/2002.

EURid looks into dubious registrations on an ongoing basis. When there is a reason to believe there may be a problem with the eligibility criteria, the domain name holder is notified and given the opportunity to provide EURid with information which proves that he/she is indeed a resident of the EU or that the company/organisation is based within the Union. In a vast majority of these cases a simple mistake was made when registering the domain name and this is then corrected.

However, should a registrant fail to show that he/she is eligible, EURid revokes it so that it subsequently becomes available for registration again.

By the end of the second quarter approximately 40 000 domain names had been investigated. The first six names were put on hold in June.

At the EURid office, a team of 5 investigates registrations where there are some doubts as to whether the registrant meets the eligibility criteria. This same team also examines any warehousing cases, where “warehousing” describes any registrar registering domain names in his own name, as opposed to on behalf of a customer, with the intent of reselling them. .eu accredited registrars are not permitted to engage in such activities.

Domain name Disputes

.eu offers an Alternative Dispute Resolution (ADR) procedure to resolve disputes regarding .eu domain names. These disputes are handled by the Czech Arbitration Court which supports all 20 official EU languages. It is called “Alternative” as it is faster and cheaper to settle a .eu dispute via an ADR than via a regular court – although this is also possible of course.

There are two kinds of ADR complaints. Complainants can file an ADR against the registry (EURid) on the grounds that the decision to attribute (or not to attribute) a domain name to the relevant party during Sunrise was not in line with the .eu regulations. This is referred to as a Sunrise appeal period and this type of procedure can only be initiated within 40 days of the Sunrise decision. The second kind of ADR procedure is more conventional and is filed against the holder of a domain name when the complainant believes that the domain name in question was registered for speculative or abusive purposes.

For more detailed information on ADR procedures see the website of the Czech Arbitration Court which can be found at www.adr.eu, or consult the EURid website (www.eurid.eu) for some general information about ADR.

By the end of the second quarter 342 ADR disputes had been initiated, 77 percent of which were against the registry (Sunrise ADRs). 32 cases could not be started as complaint was defective and by the end of the second quarter a total of 62 disputes had been decided upon.

Of all decided cases for Sunrise ADRs, the panel confirmed the decision of the registry in approximately 60 percent. Of all decided cases for conventional ADRs, 25 percent were decided in favour of the complainant.

However, please note that as of yet the number of ADR cases decided upon is too small to enable interested parties to draw any extensive conclusions from the statistics presented above. All decisions are published on the website of the Arbitration Court.

Preparations made to open the Stockholm office during third quarter

EURid will open regional offices in Pisa, Italy, Prague in the Czech Republic and in Stockholm, Sweden. The first to open will be the Stockholm regional office. Preparations are ongoing and the plan is to establish the office in the third quarter this year and then to use the experiences from Stockholm when setting up the other two offices.

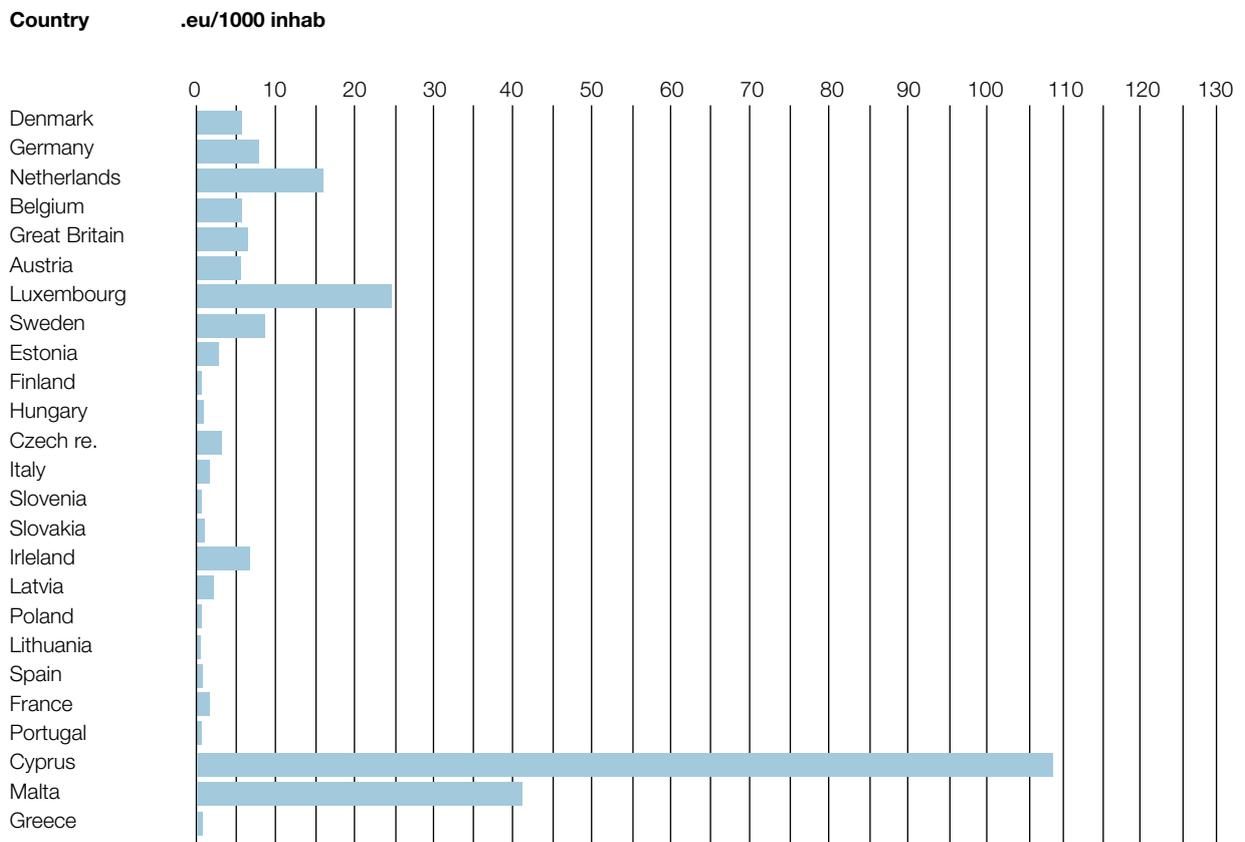
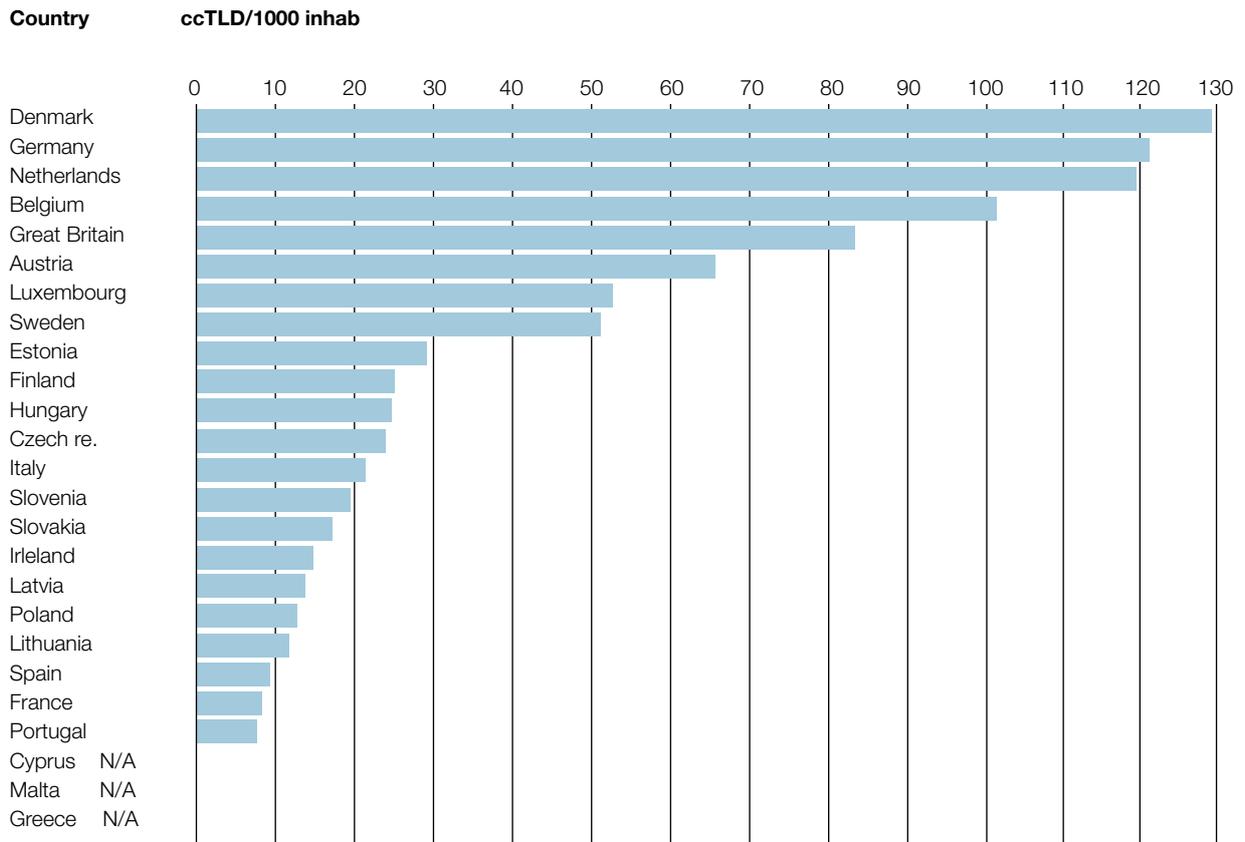
European Outlook

It is an interesting exercise to compare the different member states' interest in .eu. In the tables below we compare the country's population, depicted as a percentage of the total population of the EU, to the number of .eu domain names registered in that country, depicted as a percentage of the total number of registrations throughout the EU.

In general it is possible to see a correlation between a high proportion of national top level domains (ccTLDs) – shown in the second graph below - and a large interest in .eu. The conclusion: If you already have a national domain name you are more likely to appreciate and see the potential of also getting a .eu domain name. There is also of course a correlation between the Internet access penetration in the different member states and the interest in a .eu domain name.

Comparison between the European countries' proportion of .eu registration and their proportion of the population of EU as of end of the second quarter.

Country	% of .eu reg.	% prop. of pop in EU
Germany	31,48%	18,04%
Britain	18,65%	13,22%
Netherlands	11,84%	3,59%
Italy	5,84%	12,71%
France	5,46%	13,27%
Cyprus	4,23%	0,17%
Sweden	3,77%	1,97%
Belgium	2,66%	2,27%
Poland	2,37%	8,45%
Austria	2,19%	1,79%
Spain	2,06%	8,83%
Czech re.	1,75%	2,24%
Denmark	1,50%	1,19%
Ireland	1,32%	0,88%
Malta	0,83%	0,09%
Hungary	0,83%	2,19%
Greece	0,67%	2,33%
Luxembourg	0,59%	0,10%
Portugal	0,44%	2,31%
Slovakia	0,40%	1,19%
Finland	0,36%	1,14%
Latvia	0,27%	0,50%
Estonia	0,20%	0,29%
Lithuania	0,14%	0,79%
Slovenia	0,12%	0,44%



The graph shows the number of registrations of respective national top level domain (ccTLD) and .eu domain names per 1000 inhabitants. It shows the interest for (national) domain names in for each country.

Annex 1: Various .eu statistics

Total number of active domain names per country of registrant

Country	code	31-mar	30-jun
Austria	AT	1 251	43793
Aaland Islands	AX	0	196
Belgium	BE	1 828	58735
Cyprus	CY	61	84741
Czech rep.	CZ	1 025	34939
Germany	DE	9 256	627112
Denmark	DK	1 223	29795
Estonia	EE	179	4088
Spain	ES	2 307	41256
Finland	FI	424	7083
France	FR	4 674	108713
Great Britain	GB	2 980	372957
French Guiana	GF	0	6
Gibraltar	GI	8	579
Guadelope	GP	0	35
Greece	GR	169	13179
Hungary	HU	129	16493
Ireland	IE	442	26177
Italy	IT	890	116623
Lithuania	LT	34	2898
Luxemburg	LU	168	11416
Latvia	LV	3	5466
Matenique	MQ	0	28
Malta	MT	75	16695
Netherlands	NL	4 315	235938
Poland	PL	684	47253
Portugal	PT	118	8287
Reunion Islands	RE	0	212
Sweden	SE	1 600	75074
Slovenia	SI	184	2495
Slovakia	SK	161	7956
Total		34 188	2000218

Total number of active domain names per country of registrar

Country	code	31-mar	30-jun
Austria	AT	723	27957
Australia	AU	22	79340
Barbados	BB	0	1307
Belgium	BE	1 871	41371
Bahamas	BS	12	4899
Canada	CA	314	53533
Switzerland	CH	234	11418
China	CN	0	5047
Cyprus	CY	32	1702
Czech rep.	CZ	991	30512
Germany	DE	9 058	621453
Denmark	DK	1 864	56957
Estonia	EE	164	3168
Spain	ES	1 830	23446
Finland	FI	196	3713
France	FR	3 401	96964
Great Britain	GB	2 876	82523
Gibraltar	GI	0	948
Greece	GR	159	12242
Hungary	HU	114	9914
Ireland	IE	107	12489
Israel	IL	8	1201
India	IN	0	1120
Italy	IT	716	104721
Japan	JP	42	138
Korea	KR	8	1631
Cayman Islands	KY	0	1054
Lichtenstein	LI	28	194
Lithuania	LT	31	2175
Luxemburg	LU	460	88718
Latvia	LV	0	3346
Monaco	MC	244	3393
Malta	MT	69	69
Malaysia	MY	0	152
Netherlands	NL	2 521	197481
Norway	NO	68	9762
New Zealand	NZ	2	1210
Poland	PL	642	40947
Portugal	PT	80	849
Romania	RO	0	5548
Sweden	SE	2 016	27912
Singapore	SG	35	749
Slovenia	SI	109	532
Slovakia	SK	107	6552
Taiwan	TW	9	86
USA	US	3 025	319775
Total		34 188	2000218

Total number of Registrars per country

Country	code	31-mar	30-jun
Anguilla	AI	1	0
Austria	AT	67	66
Australia	AU	14	13
Barbados	BB	1	1
Belgium	BE	74	74
Bahamas	BS	1	1
Canada	CA	18	17
Switzerland	CH	6	7
China	CN	1	4
Cyprus	CY	1	1
Czech Rep.	CZ	15	15
Germany	DE	156	158
Denmark	DK	25	25
Estonia	EE	1	1
Spain	ES	25	24
Finland	FI	5	5
France	FR	45	43
Great Britain	GB	63	63
Greece	GR	17	17
Hungary	HU	15	15
Ireland	IE	6	6
Israel	IL	3	3
India	IN	1	1
Italy	IT	76	72
Japan	JP	2	2
Rep. of Korea	KR	3	3
Cayman Islands	KY	2	2
Liechtenstein	LI	1	1
Lithuania	LT	4	4
Luxembourg	LU	10	10
Latvia	LV	3	3
Monaco	MC	1	1
Malta	MT	1	1
Malaysia	MY	1	1
Netherlands	NL	186	182
Norway	NO	3	3
New Zealand	NZ	1	1
Poland	PL	11	13
Portugal	PT	6	5
Romania	RO	6	6
Sweden	SE	42	42
Singapore	SG	1	0
Slovenia	SI	2	2
Slovakia	SK	12	12
Taiwan	TW	1	1
USA	US	624	620
Total		1560	1547

No of active domain names

End of Jan	27 377
End of Feb	27 960
End of March	28 003
End of April	1 694 072
End of May	1 845 982
End of June	2 000 218

No of transfers between registrars during:

January	0
February	0
March	0
April	51
May	993
June	988

No of transfers between holders of domain names during:

April	184
May	2115
June	3243

Sunrise

	Sunrise 1	Sunrise 2	Total
Total no of appl	181306	164912	346218
No of unique names applied for	131662	114246	245908

