



EURID'S QUARTERLY PROGRESS REPORT TO THE EUROPEAN COMMISSION

FIRST QUARTER **2006**

PREPARED ON APRIL 27

EURid



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Executive Summary

The long awaited .eu top level domain does now exist. On April 7 .eu opened for general registration and in just a week, with 1.5 million domain names, became the fourth largest top level domain in Europe and number eight in the world. The numbers are still rising. The interest has been significant, especially from Germany, the UK and the Netherlands but there are numerous registrations from all countries within the European Union. There has also been a great interest from the Internet community in the rest of the world. There are for instance accredited .eu registrars from 46 different countries.

During the actual launch Eurid received registrations at a rate of more than 76 registrations per second. And during the first day more than three million transactions were processed in the registrations system. To manage that, and to secure fair and equal chances for all registrars and their customers, EURid had an extensive abuse prevention system in place and had ensured bandwidth in abundance.

Also the dispute resolutions process (ADR) has been put to the test and the first decision has been recently published.

During the first quarter EURid has expanded its staff to manage support in all the European languages. You might say that EURid is its own "mini Europe" with 19 nationalities on the staff speaking more than 20 different languages.

The possibility of submitting a Sunrise application ended in early April but the validation process is ongoing. At the end of April almost 100 000 validation decisions had been made with an average acceptance rate of about 80 percent.

The interest in .eu has been so great that even private and individuals and organisations who do not meet the eligibility criteria (the need to reside within the EU) have tried to register .eu domain names. EURid's legal department has created a procedure which will enable us to take measures against those abusive registrations.

Comments from the Managing Director

Back in 1999 it was a visionary idea of the European Council. Today it is very much a reality. The .eu, has been introduced and I am pleased to say it has proven to be a success. Now there is an easy and popular way to convey a European Identity over the Internet and a true alternative to generic top level domains for users across Europe.

The last few months have been both challenging and interesting. Mostly behind us now, is what is quite likely the most complex and thorough Sunrise procedure ever performed for any introduction of a top level domain in order ensure a smooth introduction for .eu. We have also experienced probably the largest Landrush ever which went very smooth and according to plan.

Although I never doubted that .eu would work out well I am relieved to see that the interest was greater than any of our expectations. I am confident that .eu will develop into a natural choice for the European internet user.



MARC VAN WEEMAEL
Managing Director of EURid

About this document

EURid presents quarterly a report on the progress of the .eu domain to the European Commission. This report is the first one since the launch of .eu for general registration on April 7, 2006.

Quarterly progress reports are drawn up approximately five weeks after the end of each quarter, and this particular report also includes the launch of general registration on April 7, despite general registration having commenced seven days after the first quarter had ended.



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.

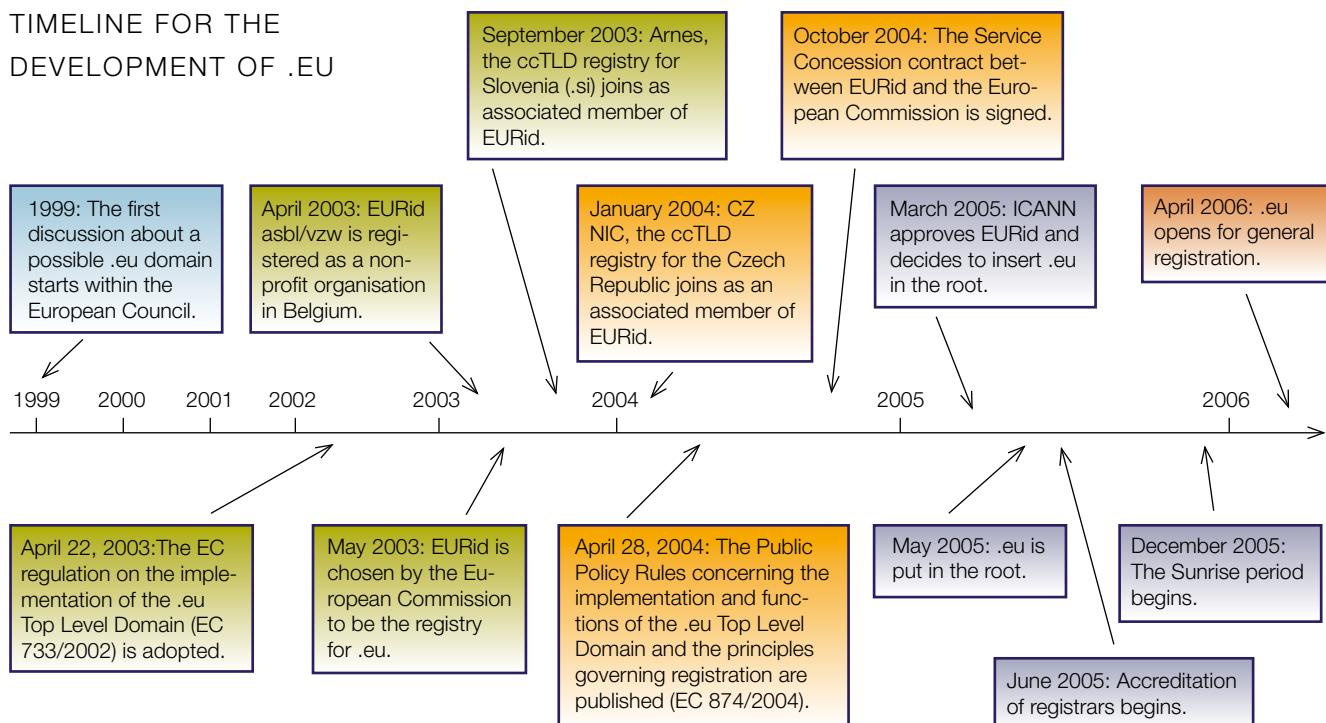
.eu was put in the root zone of the Internet Domain Name System (DNS) in March 2005 which means that, technically speaking; it has been in existence since then.

.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 some 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.int/information_society/policy/doteu/index_en.htm

TIMELINE FOR THE DEVELOPMENT OF .EU



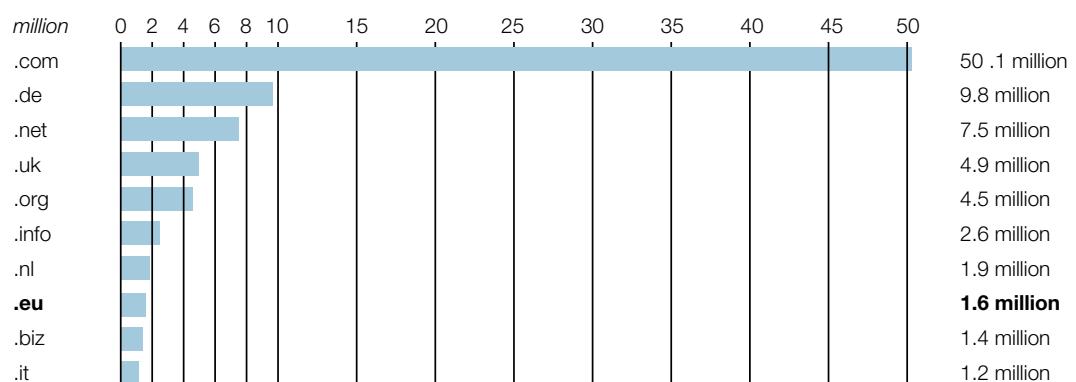
1.5 million New European Internet Identities in a week

On 7 April .eu became available to all Europeans for the first time and in just one week .eu got 1.5 million new registrations, making it the 4th largest top level domain in Europe after .de (Germany), .uk (Great Britain) and .nl (Netherlands). On a global scale, .eu is the 8th largest TLD. Only .com, .net, .org and .info still have more registrations. .eu passed .biz during the first week. It was Germans showing the largest interest when .eu opened followed by the Brits and the Dutch.

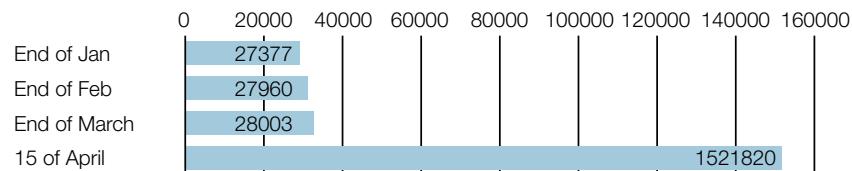
For updated .eu statistics, see <http://status.eurid.eu>

WORLD TOP TEN LIST OF TLDS

(statistics from April 24, source: websites of the TLDs and Domain-recht.de)

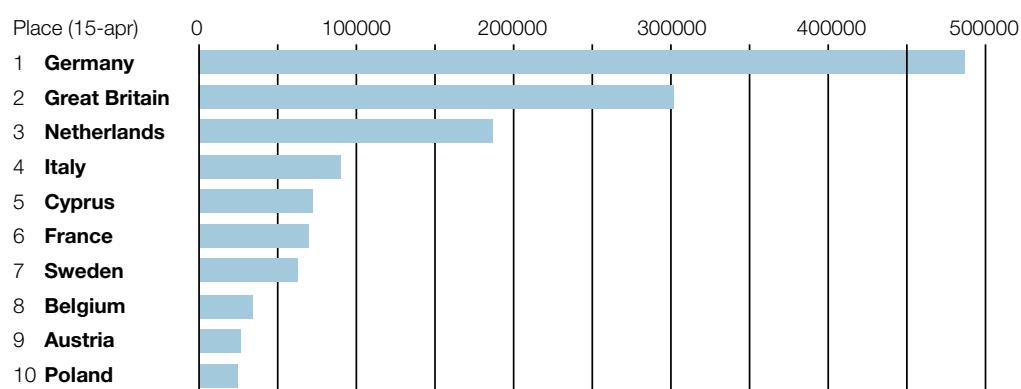


Number of active domain names



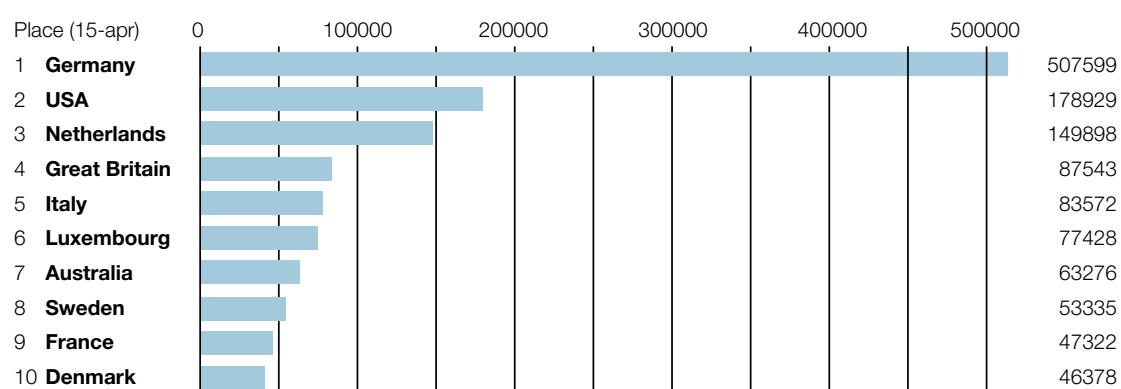
Before April 7, the only active domains were the ones that had been applied for during Sunrise and that had been accepted during the validation and passed the 40-day deadline for a possible dispute. Consequently, there were fewer active domain names during the first three months.

Total number of active domain names per country of registrant



The countries with the highest number of .eu domain name holders correlate closely to the countries that showed the greatest interest in .eu during Sunrise. Similarly, the top four countries also rank highly on the list of countries with the highest number of national domain names (ccTLD). A complete list for all countries can be seen in table on page 18.

Total number of active domain names per country of registrar



The eligibility criteria only apply to domain name holders. That is why there are also accredited registrars from outside the EU. North America, with a high Internet penetration and Internet maturity is well represented. By comparing the number of domain names per country of registrant and registrar, it is possible to get an idea of how successful the national registrars have been in attracting customers from their home country. A complete list for all countries can be seen in table on page 19.

The technical system was put to the test during Landrush

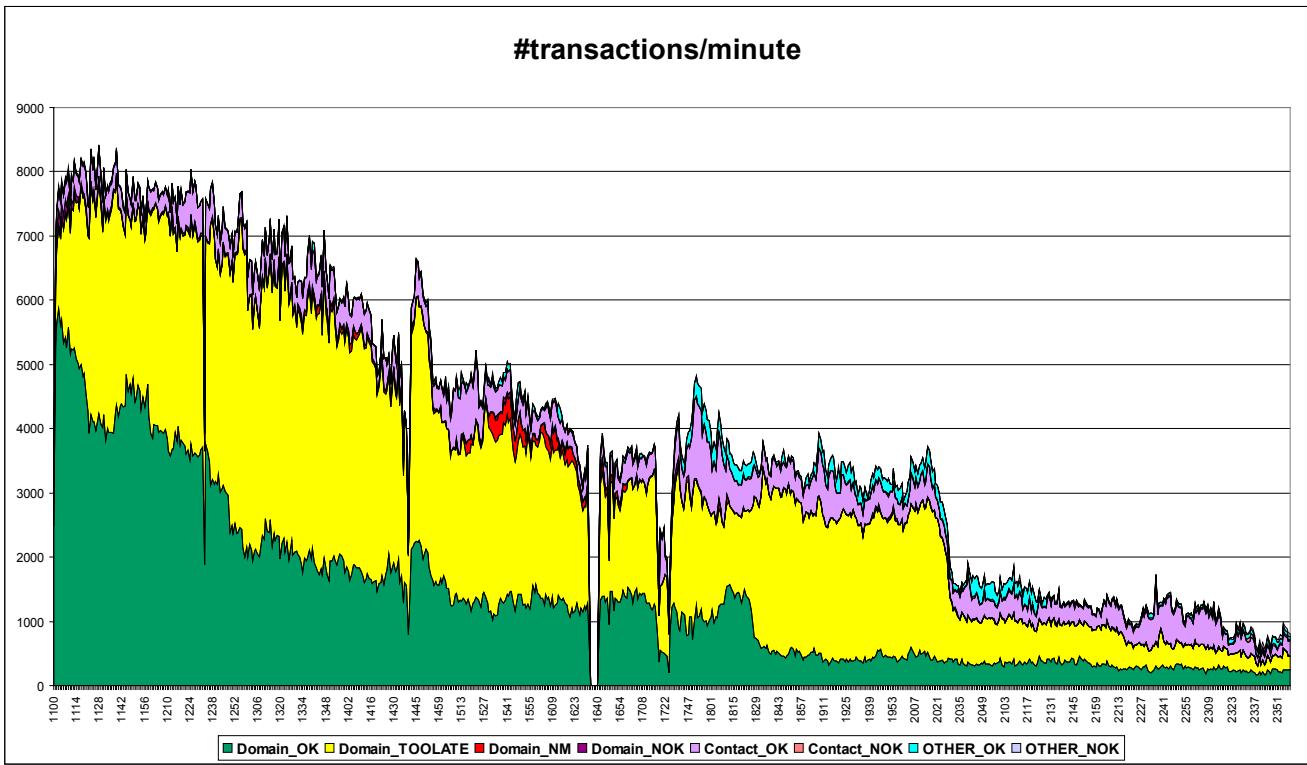
Within 15 minutes after the public launch of .eu at 11:00 on April 7 (often referred to as “Landrush”), EURid had already registered 87 000 new .eu domain names. After half an hour the number of registrations was 144 000. 300 000 registrations were passed some time just after noon and 1 million was reached at a quarter to eight the same evening. At its peak the EURid system registered more than 76 domain names per second.

Since several registrars tried to register domain names that had already been registered by someone else, the number of transactions was higher than the number of successfully registered domain names. When registration attempts were at their peak the EURid system handled 140 transactions per second. During the first day, from 11 in the morning to midnight of April 7, more than 3 million transactions were processed.

The success rate among the registrars varied. 59 percent of the participating registrars had a success rate in registering of 50 percent or better. There can be many reasons why one registrar is more successful than another. A combination of competence, luck and the kind of domain names requested are all possible factors. For popular names, the same registrant may have asked several registrars to register the name he/she wanted. This was a popular method, especially since many registrars assured their customers that they would only pay for successful registrations. A registrar with many requests for names that turned out to be popular has then of course a lower success rate than a registrar with only unique names on its list.

The three character domain names were particularly popular. 233 437 attempts were made in order to register 23 251 combinations of 3 character names. This means that all possible three letter combinations have been taken.





From the graph you can see that the number of successful registrations per minute fell faster than the number of transactions per minute since registrars were trying to register domain names that someone else already had registered.

Fairness ensured by tight security measures

To give each registrar and their customers a fair and equal chance to get their .eu domain name, EURid used the same technical system that had been in place during the two previous Sunrise launches. This meant that each registrar could only make one connection attempt per second from each of its maximum five allowed IP addresses and only could have one simultaneous connection at any one time which was dropped after each “create domain” transaction. At the EURid head quarters a bailiff was also present to witness the launch and sign off that the system reports generated every 15 minutes were authentic. EURid had made sure they had sufficient bandwidth and that there were backups in place to handle the huge pressure from registrars. From a technical standpoint, the system worked flawlessly throughout the launch. The web interface to the WHOIS database was difficult to access at some points during the day due to overload, but that did not affect the registration process. The EURid website had 2, 25 million hits during April 7, which is an all time high.

A new .eu domain name can be in use in a matter or hours

To ensure that a new .eu domain name holder can start using his or her domain name as soon as possible, the .eu DNS database is updated five times per day (at 6:00, 10:00, 13:30, 17:00 and 23:00). At each update all active registrations are made available on the Internet. This means that a new domain name can be up and running with a website and email services the same day it is registered. To further ensure the availability of the .eu TLD on the Internet, EURid has six mirrored name servers in place answering to DNS requests for .eu domain names. These are placed in the UK, Italy, Belgium, Netherlands, The Czech Republic and Slovenia. More name servers will be introduced during the coming months.

EURid is its own “mini Europe” with 19 nationalities on the staff

During the first quarter this year EURid expanded its staff in order to be able to provide support to the registrars and the general public in all the European languages. At the end of the first quarter, EURid had 27 persons representing 19 different nationalities on its pay roll.

Registrars from 46 countries are assisting the domain name holders

The .eu model is based on registrars being the point of contact for the end user. Registrars assist end users in registering domain names and provide first line support in the local languages. For the moment EURid has accredited registrars from 46 different countries. All EU member states are well represented and there are also registrars from North America, Asia Pacific, the Caribbean and the Middle East.

Before a registrar is accredited they have to sign the registrar agreement and make a payment of 10 000 euro. Each company wanting to become a registrar also has to provide proof of existence and when applicable the VAT number.

Number of registrars per country 15-apr

USA	624
Netherlands	186
Germany	156
Italy	76
Belgium	74
Austria	67
Great Britain	63
France	45
Sweden	42
Denmark	25
Spain	25
Canada	18
Greece	17
Czech Rep.	15
Hungary	15
Australia	14

Slovakia	12
Poland	11
Luxembourg	10
Switzerland	6
Ireland	6
Portugal	6
Romania	6
Finland	5
Lithuania	4
Israel	3
Rep. of Korea	3
Latvia	3
Norway	3
Japan	2
Cayman Islands	2
Slovenia	2

Anguilla	1
Barbados	1
Bahamas	1
China	1
Cyprus	1
Estonia	1
India	1
Liechtenstein	1
Monaco	1
Malta	1
Malaysia	1
New Zealand	1
Singapore	1
Taiwan	1
Total	1560

The table shows that .eu is also a popular top level domain with registrars outside of Europe

The first ADR dispute is settled

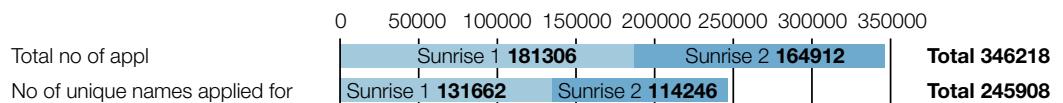
To deal with possible domain name disputes, .eu has an ADR (Alternative Dispute Resolution) policy in place. Disputes are handled by the Czech Arbitration Court acting as an independent body and covering all European languages. The first ADR decision was published on April 18 and was concerning the domain name pst.eu. The complainant claimed that EURid should not have attributed the domain name to the holder during the Sunrise phase. The Czech Arbitration court found that the EURid decision was correct.

As of April 24, a total of 153 ADR complaints have been filed. 15 of those were incomplete, 22 are waiting for the fee to be paid, 115 are ongoing and one decided. 26 of these complaints were against the holder of the domain name; the rest against EURid's decision to accept or reject a Sunrise application.

Second phase of Sunrise opened on February 7

On February 7, EURid began accepting applications for the second phase of Sunrise which allowed anyone with any category of prior right to apply for a domain name. The second phase was less intense than the first but still more than 70 000 applications were received during the first hour (compared to slightly less than 105 000 during the launch of the first Sunrise period).

Just as in the launch of the first Sunrise period, applications were received from applicants representing all countries of Europe during the first minutes.



During the first phase of Sunrise it was only possible for trademark owners and public bodies to apply. In the second phase the scope was widened to include all categories of prior rights.

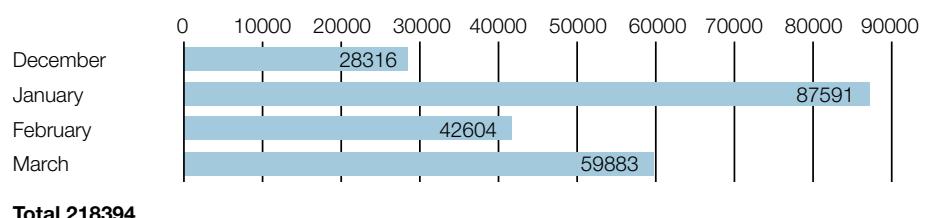
Validation of Sunrise applications are ongoing

.eu's validation agent, PricewaterhouseCoopers, is still working hard to validate all the Sunrise applications. Over time, the rate of validation has increased and currently approximately 1500 applications are reviewed each day. About 80 percent of all applications for which documentary evidence has been submitted are accepted.

Among the rejected applications, the most common reasons for rejection are a mismatch between the holder of the prior right, a trademark for instance, and the applicant. Also a mismatch between the name for which an applicant has a prior right and the domain name requested.

The Governmental Validation Points validating the applications from public bodies have almost finished their job and there hardly any applications left that are waiting to be processed.

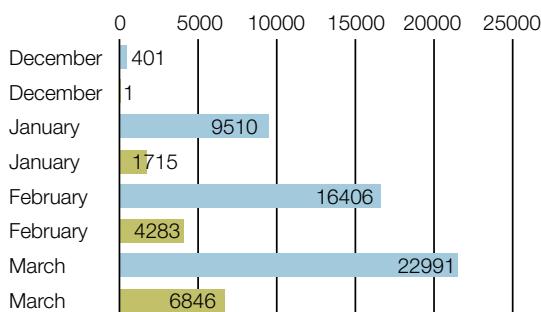
Documentary evidence received during:



The higher numbers for February and March reflect that the applicant had 40 days before the documentary evidence needed to be received.

No.of accepted Sunrise application during:

No.of rejected Sunrise application during:



No of activated accepted Sunrise applications during

December	0
January	1
February	2642
March	19007
Total	21650

The table shows that by February and March, when more applicants had submitted their documentary evidence, the validation agents had increased the rate of validation accordingly. You can also see that about 80 percent of all validated applications have been accepted.

Not everyone meets the eligibility criteria

In spite of all geographical limitations implemented in the registration programs and specifications in terms and conditions, EURid does get some complaints about registrants not meeting the eligibility criteria.

EURid's legal department has created a procedure which will enable us to take measures against those abusive registrations. A dedicated team is put in place in order to deal with these complaints so that they can be handled without unnecessary delay.

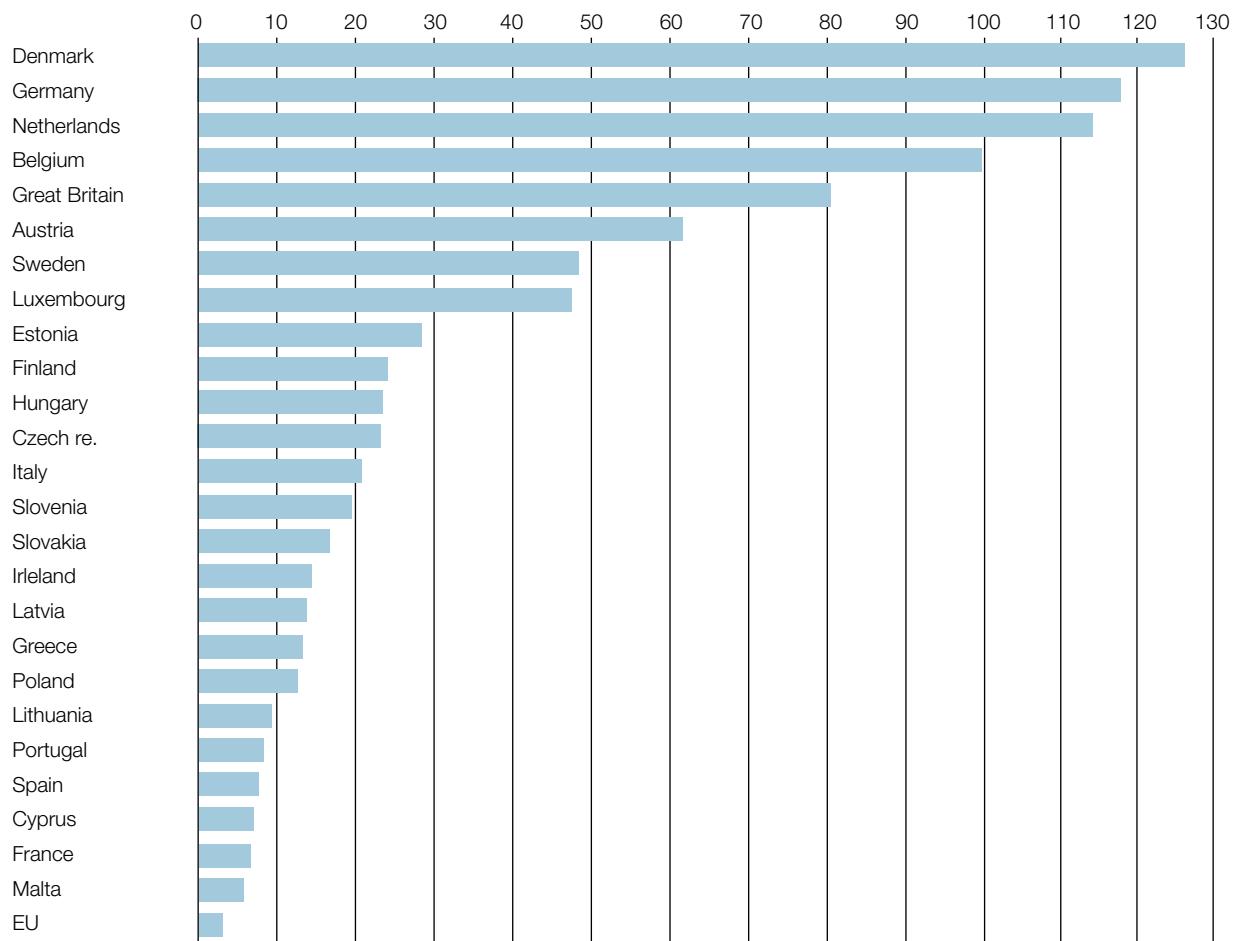
Actions have been initiated for more than one thousand domain names where EURid has reason to believe that the holder is not meeting the eligibility criteria. EURid is also in the process of expanding the legal department to be sure to have sufficient resources to deal with any kind of abuse. Similarly, EURid is looking into cases of possible warehousing by registrars and will take action against these registrars where appropriate.

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) 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.

	% of .eu domain names 15-Apr	% prop. of pop in EU
Germany	32.10%	18.04%
Great Britain	19.86%	13.22%
Netherlands	11.92%	3.59%
Italy	5.98%	12.71%
Cyprus	4.85%	0.17%
France	4.50%	13.27%
Sweden	4.25%	1.97%
Belgium	2.55%	2.27%
Austria	2.02%	1.79%
Poland	2.00%	8.45%
Spain	1.70%	8.83%
Czech re.	1.51%	2.24%
Denmark	1.44%	1.19%
Ireland	1.29%	0.88%
Hungary	0.71%	2.19%
Luxembourg	0.66%	0.10%
Malta	0.62%	0.09%
Greece	0.54%	2.33%
Slovakia	0.33%	1.19%
Finland	0.31%	1.14%
Portugal	0.27%	2.31%
Latvia	0.21%	0.50%
Estonia	0.14%	0.29%
Lithuania	0.13%	0.79%
Slovenia	0.11%	0.44%

ccTLD/1000 pax



The graph shows the number of registrations of respective national top level domains 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-jan	28-feb	31-mar	15-apr
Austria	AT	1182	1249	1251	30712
Aaland Islands	AX	0	0	0	699
Belgium	BE	1814	1820	1828	38818
Cyprus	CY	61	61	61	73731
Czech rep.	CZ	997	1025	1025	22925
Germany	DE	8896	9224	9256	488186
Denmark	DK	1209	1223	1223	21891
Estonia	EE	175	179	179	2177
Spain	ES	2209	2307	2307	25829
Finland	FI	401	424	424	4708
France	FR	4488	4666	4674	68464
Great Britain	GB	2948	2980	2980	302054
French Guiana	GF	0	0	0	5
Gibraltar	GI	8	8	8	230
Guadelope	GP	0	0	0	16
Greece	GR	167	169	169	8198
Hungary	HU	119	128	129	10751
Ireland	IE	424	442	442	19625
Italy	IT	880	890	890	90985
Lithuania	LT	34	34	34	1913
Luxemburg	LU	166	168	168	10036
Latvia	LV	3	3	3	3268
Matenique	MQ	0	0	0	19
Malta	MT	75	75	75	9483
Netherlands	NL	4297	4315	4315	181310
Poland	PL	613	683	684	30378
Portugal	PT	116	117	118	4036
Reunion Islands	RE	0	0	0	145
Sweden	SE	1553	1599	1600	64604
Slovenia	SI	182	184	184	1622
Slovakia	SK	150	161	161	5002
Total		33167	34134	34188	1521820

Total number of active domain names per country of registrar

Country	code	31-jan	28-feb	31-mar	15-apr
Anguilla	AI	0	0	0	799
Austria	AT	695	722	723	23359
Australia	AU	22	22	22	63276
Belgium	BE	1854	1863	1871	36388
Bahamas	BS	10	12	12	3788
Canada	CA	303	314	314	35286
Switzerland	CH	232	234	234	7246
China	CN	0	0	0	1029
Cyprus	CY	32	32	32	1439
Czech rep.	CZ	961	991	991	20545
Germany	DE	8684	9030	9058	507599
Denmark	DK	1806	1859	1864	46378
Estonia	EE	160	164	164	1746
Spain	ES	1749	1830	1830	15291
Finland	FI	176	196	196	2680
France	FR	3239	3395	3401	47322
Great Britain	GB	2863	2875	2876	87543
Greece	GR	157	159	159	8319
Hungary	HU	103	113	114	6138
Ireland	IE	100	107	107	7665
Israel	IL	8	8	8	313
India	IN	0	0	0	891
Italy	IT	708	716	716	83572
Japan	JP	42	42	42	68
Korea	KR	8	8	8	1423
Cayman Islands	KY	0	0	0	1040
Lichtenstein	LI	28	28	28	163
Lithuania	LT	31	31	31	1569
Luxemburg	LU	454	460	460	77428
Latvia	LV	0	0	0	1707
Monaco	MC	226	243	244	1296
Malta	MT	69	69	69	69
Netherlands	NL	2511	2521	2521	149898
Norway	NO	68	68	68	7404
New Zealand	NZ	2	2	2	1048
Poland	PL	571	641	642	27714
Portugal	PT	78	79	80	909
Romania	RO	0	0	0	3679
Sweden	SE	1983	2015	2016	53335
Singapore	SG	35	35	35	626
Slovenia	SI	107	109	109	416
Slovakia	SK	100	107	107	4438
Taiwan	TW	9	9	9	49
USA	US	2983	3025	3025	178929
Total		33167	34134	34188	1521820

Total number of Registrars per country

Country	code	31-jan	28-feb	31-mar	15-apr
Anguilla	AI	1	1	1	1
Austria	AT	65	66	67	67
Australia	AU	9	9	14	14
Barbados	BB	1	1	1	1
Belgium	BE	68	71	74	74
Bahamas	BS	1	1	1	1
Canada	CA	15	16	18	18
Switzerland	CH	6	6	6	6
China	CN	0	1	1	1
Cyprus	CY	1	1	1	1
Czech Rep.	CZ	15	15	15	15
Germany	DE	128	135	156	156
Denmark	DK	23	24	25	25
Estonia	EE	1	1	1	1
Spain	ES	21	24	25	25
Finland	FI	5	5	5	5
France	FR	43	44	45	45
Great Britain	GB	53	57	63	63
Greece	GR	13	14	17	17
Hungary	HU	13	14	15	15
Ireland	IE	6	6	6	6
Israel	IL	3	3	3	3
India	IN	1	1	1	1
Italy	IT	69	72	76	76
Japan	JP	2	2	2	2
Rep. of Korea	KR	2	3	3	3
Cayman Islands	KY	0	2	2	2
Liechtenstein	LI	1	1	1	1
Lithuania	LT	4	4	4	4
Luxembourg	LU	10	10	10	10
Latvia	LV	2	2	3	3
Monaco	MC	1	1	1	1
Malta	MT	1	1	1	1
Malaysia	MY	0	0	1	1
Netherlands	NL	178	183	186	186
Norway	NO	2	2	3	3
New Zealand	NZ	1	1	1	1
Poland	PL	11	11	11	11
Portugal	PT	6	6	6	6
Romania	RO	4	4	6	6
Sweden	SE	38	38	42	42
Singapore	SG	1	1	1	1
Slovenia	SI	2	2	2	2
Slovakia	SK	9	11	12	12
Taiwan	TW	1	1	1	1
USA	US	80	170	624	624
Total		917	1044	1560	1560

No of active domain names

End of Jan	27377
End of Feb	27960
End of March	28003
15 of April	1521820

**No of transfers between
registrars during:**

January	0
February	0
March	0
1-15 April	0

**No of transfers between holders
of doamin names during:**

January	0
February	0
March	0
1-15 April	0

**No of transfers from quarantinne
during:**

January	0
February	0
March	0
1-15 April	0

**No of cancelled domain names
during:**

January	0
February	0
March	0
1-15 April	0

Sunrise

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

Documentary evidence received during:

December	28316
January	87591
February	42604
March	59883
Total	218394

No.of accepted Sunrise application during:

December	401
January	9510
February	16406
March	22991
Total	49308

No.of rejected Sunrise application during:

December	1
January	1715
February	4283
March	6846
Total	12845

No of activated accepted Sunrise applications during

December	0
January	1
February	2642
March	19007
Total	21650

European Outlook

Country	cc	"Popu- lation"	"local ccTLD names Apr 06"	"No of .eu domain names Apr 15"	"% of .eu domain names"	"% prop. of pop in EU"	"cc/1000 pax"
Austria	AT	8 184 691	507 310	30 712	2,02%	1,79%	61,98
Belgium	BE	10 364 388	1 034 638	38 818	2,55%	2,27%	99,83
Cyprus	CY	780 133	6 200	73 731	4,85%	0,17%	7,95
Czech re.	CZ	10 241 138	244 765	22 925	1,51%	2,24%	23,90
Germany	DE	82 431 390	9 783 872	488 186	32,10%	18,04%	118,69
Denmark	DK	5 432 335	690 972	21 891	1,44%	1,19%	127,20
Estonia	EE	1 332 893	38 000	2 177	0,14%	0,29%	28,51
Spain	ES	40 341 462	335 531	25 829	1,70%	8,83%	8,32
Finland	FI	5 223 442	129 330	4 708	0,31%	1,14%	24,76
France	FR	60 656 178	468 303	68 464	4,50%	13,27%	7,72
Great Britain	GB	60 441 457	4 890 238	302 054	19,86%	13,22%	80,91
Greece	GR	10 668 354	136 346	8 198	0,54%	2,33%	12,78
Hungary	HU	10 006 835	240 000	10 751	0,71%	2,19%	23,98
Ireland	IE	4 015 676	58 737	19 625	1,29%	0,88%	14,63
Italy	IT	58 103 033	1 192 204	90 985	5,98%	12,71%	20,52
Lithuania	LT	3 596 617	34 323	1 913	0,13%	0,79%	9,54
Luxembourg	LU	468 571	22 447	10 036	0,66%	0,10%	47,91
Latvia	LV	2 290 237	30 000	3 268	0,21%	0,50%	13,10
Malta	MT	398 534	2 600	9 483	0,62%	0,09%	6,52
Netherlands	NL	16 407 491	1 878 902	181 310	11,92%	3,59%	114,51
Poland	PL	38 635 144	449 053	30 378	2,00%	8,45%	11,62
Portugal	PT	10 566 212	89 373	4 036	0,27%	2,31%	8,46
Sweden	SE	9 001 774	439 652	64 604	4,25%	1,97%	48,84
Slovenia	SI	2 011 070	40 126	1 622	0,11%	0,44%	19,95
Slovakia	SK	5 431 363	95 606	5 002	0,33%	1,19%	17,60
		457 030 418		1 520 706			



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