ICANN Quarterly Stakeholder Call

17/18 October 2016 | FY17 Q1 - Quarter ending 30 September 2016

Agenda

President & CEO Overview

Göran Marby

Board Update

Bruce Tonkin

Policy Update

David Olive

Adiel Akplogan

Management Update

Theresa Swinehart

APAC Update

Jia-Rong Low

Financial Update

Xavier Calvez

President & CEO Overview

Göran Marby
President & CEO

ICANN

THANK YOU

Post-Transition ICANN

- Efforts in Work Stream 2 continue to enhance ICANN's accountability
  - Discussions at ICANN57

- Priority for the year ahead: to operate in line with our new Bylaws and revised mission, and enact the priorities the community sets forth

Board Update

Bruce Tonkin
ICANN Board of Directors

ICANN

ICANN Board Highlights

- IANA Stewardship Transition

- ICANN Board Workshop in Brussels – 15-17 September

- Community Priority Evaluations (CPE) in the new gTLD program

Policy Update

David Olive
Sr. Vice President, Policy Development Support

Adiel Akplogan
Vice President for Technical Engagement

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Generic Names Supporting Org. (GNSO)

FY17 Q1 HIGHLIGHTS

6 motions adopted

11 Policy Development processes underway

40 GNSO sessions held during ICANN 56

MORE INFORMATION
https://www.icann.org/policy
http://gnso.icann.org/en/

New areas of work in Q1

- ⊙ Creation of a GNSO Review Working Group to develop an implementation plan for the GNSO Review recommendations

Completed work in Q1

- ⊙ Interim appointment of the GNSO Representative on the Empowered Community Administration
- ⊙ Approval of the Liaisons and Members of the Customer Standing Committee (CSC)
- ⊙ Approved the proposed modifications to GNSO Operating procedures relating to Elections and Motions
- ⊙ Validated the CCWG-Accountability Budget Request as well as the cost-control processes
- ⊙ Adoption of the GNSO Review of GAC Helsinki Communiqué for submission to the ICANN Board

Country-Code Names Supporting Org. (ccNSO)

FY17 Q1 HIGHLIGHTS

5 cross-community WGs (chartering organization)

4 active ccNSO working groups

1 ccNSO PDP underway

16 Council decisions

2 Council committees

18 Sessions Helsinki (ICANN 56)

MORE INFORMATION
https://www.icann.org/policy
http://ccnso.icann.org/

- ⦿ Focus on IANA Stewardship Transition and ICANN Accountability: Statement on IANA Naming Functions Agreement. After transition was completed, closure of two coordination groups

- ⦿ Approval of the Liaisons and Members of the Customer Standing Committee (CSC).

- ⦿ 4 ccNSO internal Guidelines approved / updated to implement 27 May 2016 ICANN Bylaws.

- ⦿ Board seat 11 and ccNSO Council nomination launched.

- ⦿ Appointment of member Empowered Community Administrative Committee, Root Zone Evolution Review Committee.

Number Resource Org. (NRO) & Address Supporting Org. (ASO)

- ASO appointed Maemura Akinori for ICANN Board Seat 10 to start his term at the end of ICANN 57 (seat currently held by Kuo-Wei Wu).

  https://aso.icann.org/aso-ac-selects-maemura-akinori-to-serve-on-seat-10-of-icann-board-of-directors/

- ASO AC is currently making updates to the election procedures so these are aligned with current ICANN Bylaws.

  https://aso.icann.org/aso-icann/icann-board-elections/2016-elections/

- ASO Independent Review is on preparation. It's scheduled to start at the beginning of 2017.

- The SLA for the IANA Numbering Services is on effect since October 1st.

  https://www.nro.net/news/the-service-level-agreement-for-the-iana-numbering-services-is-now-in-effect

Number Resource Org. (NRO) & Address Supporting Org. (ASO)

◉ Review Committee. Key element of the Internet Number Community Proposal, to ensure that the IANA Numbering Services Operator maintains the service level defined in the SLA, announced on October 4th

  https://www.nro.net/news/iana-numbering-services-review-committee-composition

◉ IANA IPR Agreement sign by the RIRs

◉ ASO/NRO representatives on CCWG on ICANN Accountability Workstream 2
  ◉ Izumi Okutani, Jorge Villa, Fiona Asonga, Athina Fragkouli

◉ Upcoming RIR Meetings

❑ **ARIN 38 Dallas, USA 20-21 October 2016**
❑ **RIPE 73 Madrid, Spain 24-28 October 2016**
❑ **AFRINIC 25 Mauritius, 25-30 November 2016**
❑ **LACNIC 28 TBC Brazil, 22-26 May 2017**
❑ **APNIC 43 Ho Chi Minh, Vietnam 20 February – 2 March 2017**

Management Update
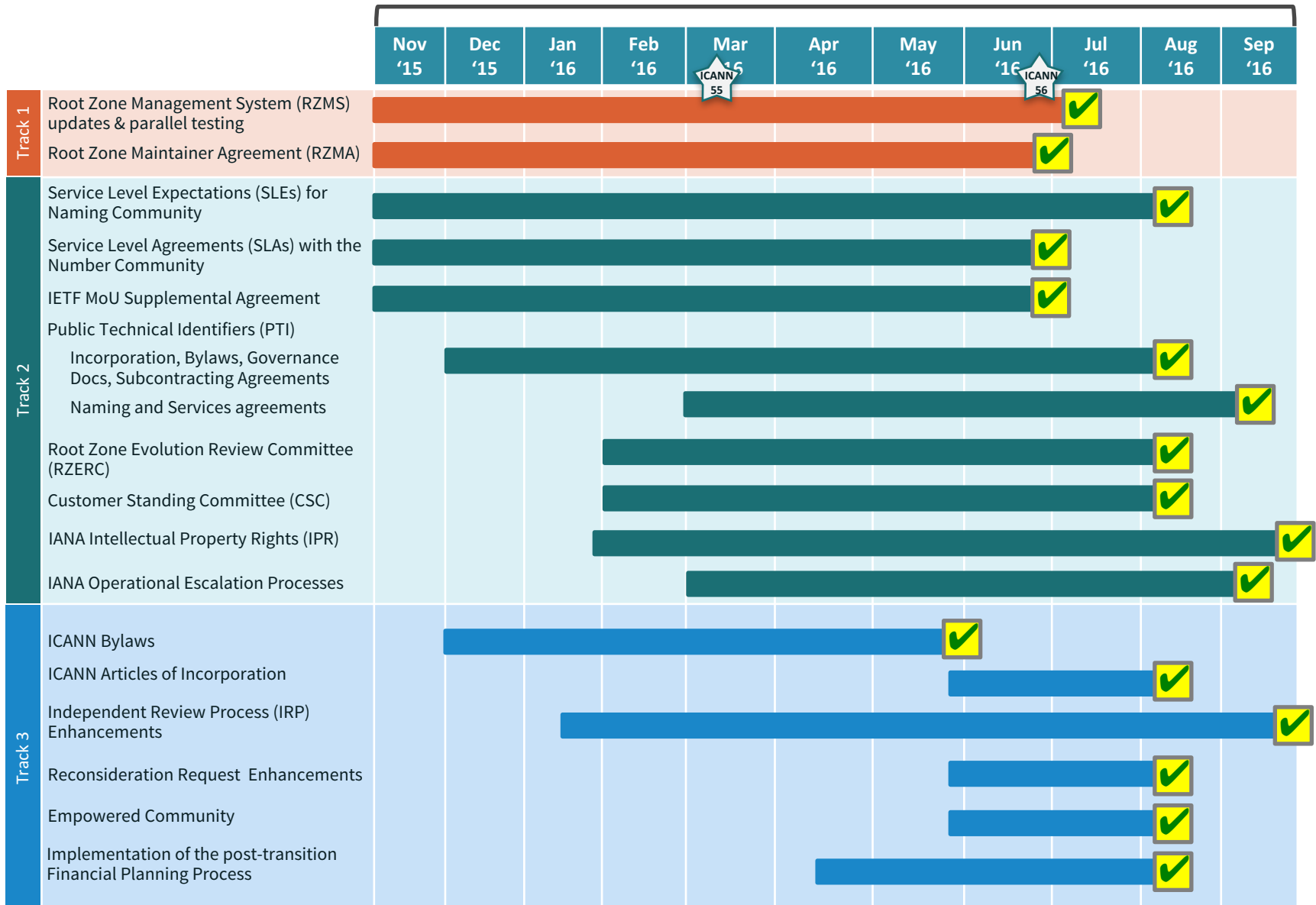
Theresa Swinehart
Sr. Vice President, Multistakeholder Strategy and Strategic Initiatives

ICANN

Executive Summary

- IANA Stewardship Transition: Implementation update

- Internet Technology and Engineering update

- Contractual Compliance report

- Global Domains Division report

- Engagement update

IANA Stewardship Transition: All Implementation Tasks Complete

Completed

	Nov '15	Dec '15	Jan '16	Feb '16	Mar '15	Apr '16	May '16	Jun '16	Jul '16	Aug '16	Sep '16

ICANN 55 (Mar) · **ICANN 56** (Jun)

Track 1
- Root Zone Management System (RZMS) updates & parallel testing ✔ (Jul '16)
- Root Zone Maintainer Agreement (RZMA) ✔ (Jun '16)

Track 2
- Service Level Expectations (SLEs) for Naming Community ✔ (Aug '16)
- Service Level Agreements (SLAs) with the Number Community ✔ (Jun '16)
- IETF MoU Supplemental Agreement ✔ (Jun '16)
- Public Technical Identifiers (PTI)
  - Incorporation, Bylaws, Governance Docs, Subcontracting Agreements ✔ (Aug '16)
  - Naming and Services agreements ✔ (Sep '16)
- Root Zone Evolution Review Committee (RZERC) ✔ (Aug '16)
- Customer Standing Committee (CSC) ✔ (Aug '16)
- IANA Intellectual Property Rights (IPR) ✔ (Sep '16)
- IANA Operational Escalation Processes ✔ (Sep '16)

Track 3
- ICANN Bylaws ✔ (Jun '16)
- ICANN Articles of Incorporation ✔ (Aug '16)
- Independent Review Process (IRP) Enhancements ✔ (Sep '16)
- Reconsideration Request Enhancements ✔ (Aug '16)
- Empowered Community ✔ (Aug '16)
- Implementation of the post-transition Financial Planning Process ✔ (Aug '16)

Overall % Complete 100%

GDD: IANA Department Services

480
Domain-related requests

969
Protocol-related requests

322
General inquiries

3 Number-related events

1 Key signing ceremony

1 July to 30 September

Internet Technology / Office of the CTO Update

- Work on the root **Key Signing Key (KSK)** roll project is under way and seven public presentations were given to increase awareness of the project.

- **Identifier Technologies Health Indicators project** - held a workshop in Washington, D.C (September) with Naming community to discuss health metrics. Outreach to the Numbering and Protocol Parameter communities continue.

- Dedicated research analysis environment with one petabyte of storage deployed and now receiving and storing traffic from **L-root and B-root**.

- Participated in **anti-abuse and other security, stability, and resiliency training and engagement** sessions around the world with a focus last quarter in Central and Eastern Europe.

- Second **Security, Stability, and Resiliency (SSR2) Review -** ICANN received 66 applications. Final selections will be made soon and the review team kickoff is planned to occur near the end of 2016.

- ICANN's Office of the CTO continues to work with the technical community by engaging in, and realigning activities to support ICANN's mission, role, and responsibility within the technical ecosystem.

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IT & Engineering Update

1 Governmental Advisory Committee (GAC) website

2 Enterprise Resource Planning (ERP)

3 Service Level Agreement Monitoring System

Contractual Compliance

Overall complaint volume up 30% from FY16 Q4

REGISTRAR AUDITS – 2013 RAA

Sep 14, 2015 – May 25, 2016 Round

18% To be retested in a future audit round

MAY 17, 2016 Round

80% of the registrars received final audit report.

	Documents	Registrars	Countries	Languages
	5,200	**65**	**23**	**11**
	1,600	**15**	**7**	**4**

Registrar Compliance Continuous Improvement

Seoul, Korea Registrar Outreach

	Complaint Received	Complaint Closed	Closure Rates (Target >=55%)	Received to Closed Turnaround Time (Days)
Q4 FY16	9,252	8,542	70%	10.3
Q1 FY17	12,166	12,018	71.8%	10.7

For more information, please visit: https://www.icann.org/resources/pages/compliance-reports-2016-04-15-en
https://features.icann.org/compliance

GDD: New gTLD Program

WHY IT'S IMPORTANT

The New gTLD Program is driving the largest expansion of the Domain Name System ever. Hundreds of new top-level domain names are being introduced into the Internet on a rolling basis.

The New gTLD Program is meant to enhance competition, innovation and choice.

135
Strings delegated in FY17 Q1

1,186 total*

4
Registry Agreements signed in FY17 Q1

1,239 total*

0
Contention sets resolved in FY17 Q1

218 of 233 total*

- ⊙ Global Registrant Survey Phase 2 published: Sept.
- ⊙ Trademark Clearinghouse independent review summary of public comments published: Sept.
- ⊙ Competition, Consumer Trust and Consumer Choice Review
- ⊙ New gTLD Marketplace Health Index published: July
  - ⊙ ICANN57 sessions planned to discuss these reports

ICANN57:   https://meetings.icann.org/en/hyderabad57

GDD: Additional Activity

Proposed Amendments to Base Registry Agreement

Summary of public comments published: August

Two-Character Labels at Second Level

Proposed framework for release opened for comment: August

Privacy & Proxy Services Accreditation Issues Policy Development Process

Implementation Review Team - call for volunteers issued: August

GDD: Internationalized Domain Names

WHY IT'S IMPORTANT

IDNs at the top-level enable Internet users to access domain names in local languages and scripts.

IDN ccTLDs allow countries and territories to represent their respective names scripts other than US-ASCII characters.

Internationalized Domain Names Program

- ◉ Label Generation Rules toolset beta version completed
- ◉ Khmer script Label Generation Rules finalized
- ◉ Georgian script Label Generation Rules posted for public comment: September

12 Generation Panels seated and working

4 Label Generation Rules finalized

1 Label Generation Rules posted for public comment (Q1)

MORE INFORMATION: https://www.icann.org/InternationalizedDomainNames

GDD: Global Support Center Tickets – FY17 Q1

Case Volume Trending
Cases Created & Resolved

Legend: New Cases Created, Resolved Cases
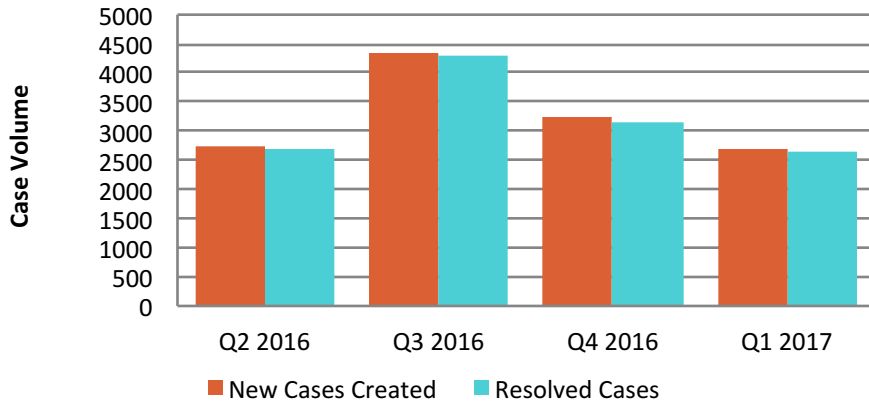
Case Backlog
Quarter End Volume Trending

Legend: Inquiry Backlog
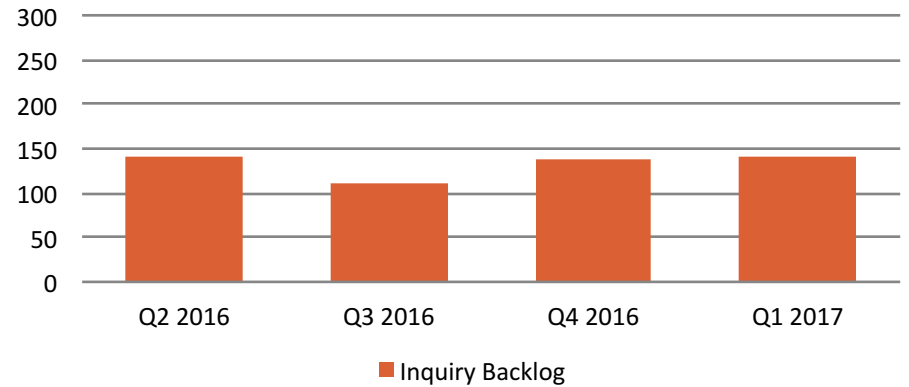
Status Frequency
Communication & Updates

Legend: Last Response SLT, % Last Reponse within SLT
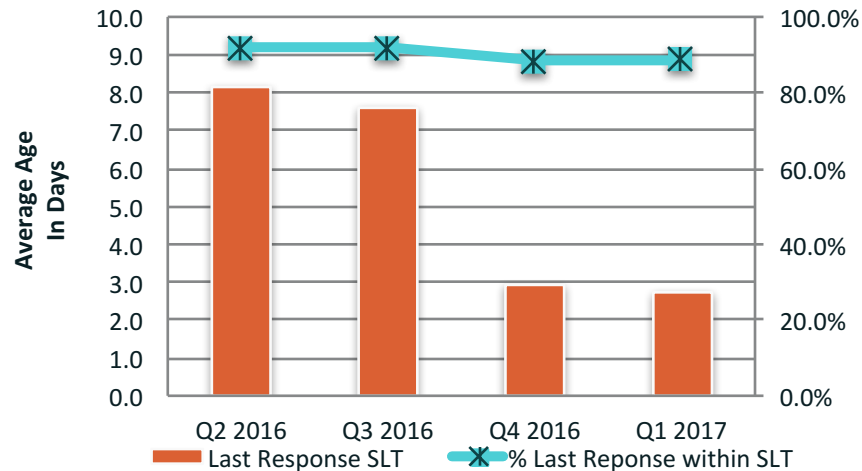
Resolution Time Target
Case Aging

Legend: Resolution Ave Age (I), % of Resolved within SLT
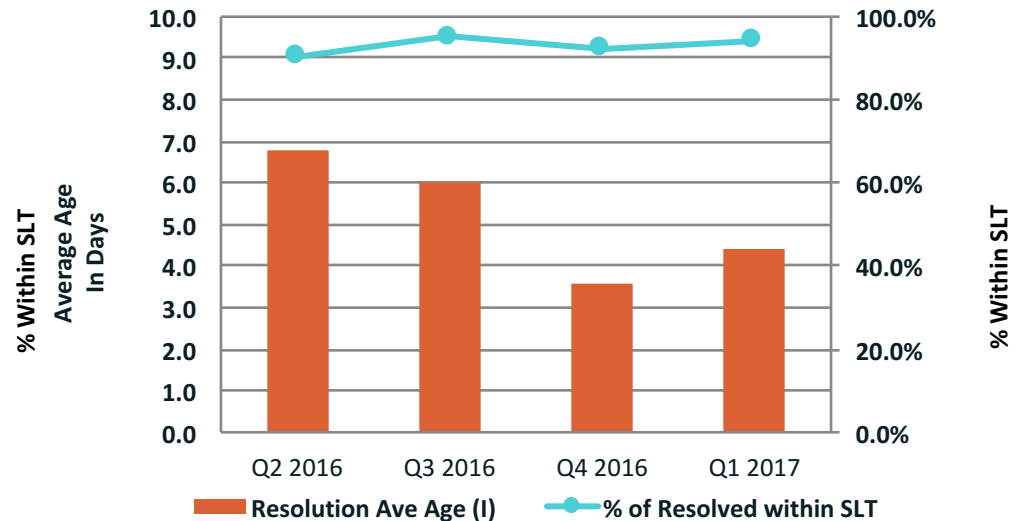
Engagement Update

- **Internet Governance Forum (IGF) Multistakeholder Advisory Group (MAG) meeting and Open Consultation,** New York, July 12-14
- **UN Government Group of Experts (GGE)** meeting - New York, August 29
- **World Telecommunication Standardization Assembly (WTSA) regional Preparatory meetings [APT, ATU and EU]** Danang, Viet Nam; Cairo Egypt; Copenhagen Denmark, Sept 6-8
- **German IGF** and bilateral meetings with German officials; Berlin, Germany, September 9
- **Internet Freedom – Council of Europe;** Strassbourg France Sept 9
- **Salzburg Seminar on remaking the State – Impact of the Digital Revolution**; Strassbourg, France Sept 19-20
- **Global Forum**, Eindhoven Netherlands, Sept 19-20
- **Munich Security Conference**, Palo Alto, US Sept 19-20
- **CYFY Conference** and bilateral meetings with Indian government to prepare for ICANN 57 and beyond, New Delhi India, September 28th
- **CSTD WG on Enhanced Cooperation**, First working session - Geneva Switzerland September 30th
- **ICANN Studenkries**, Dubrovnik, Croatia, Oct 6-7
- Numerous bilateral meetings with regional government and IGO officials
- Support and participation in numerous national and regional IGF

Engagement Events by Region – FY17 Q1
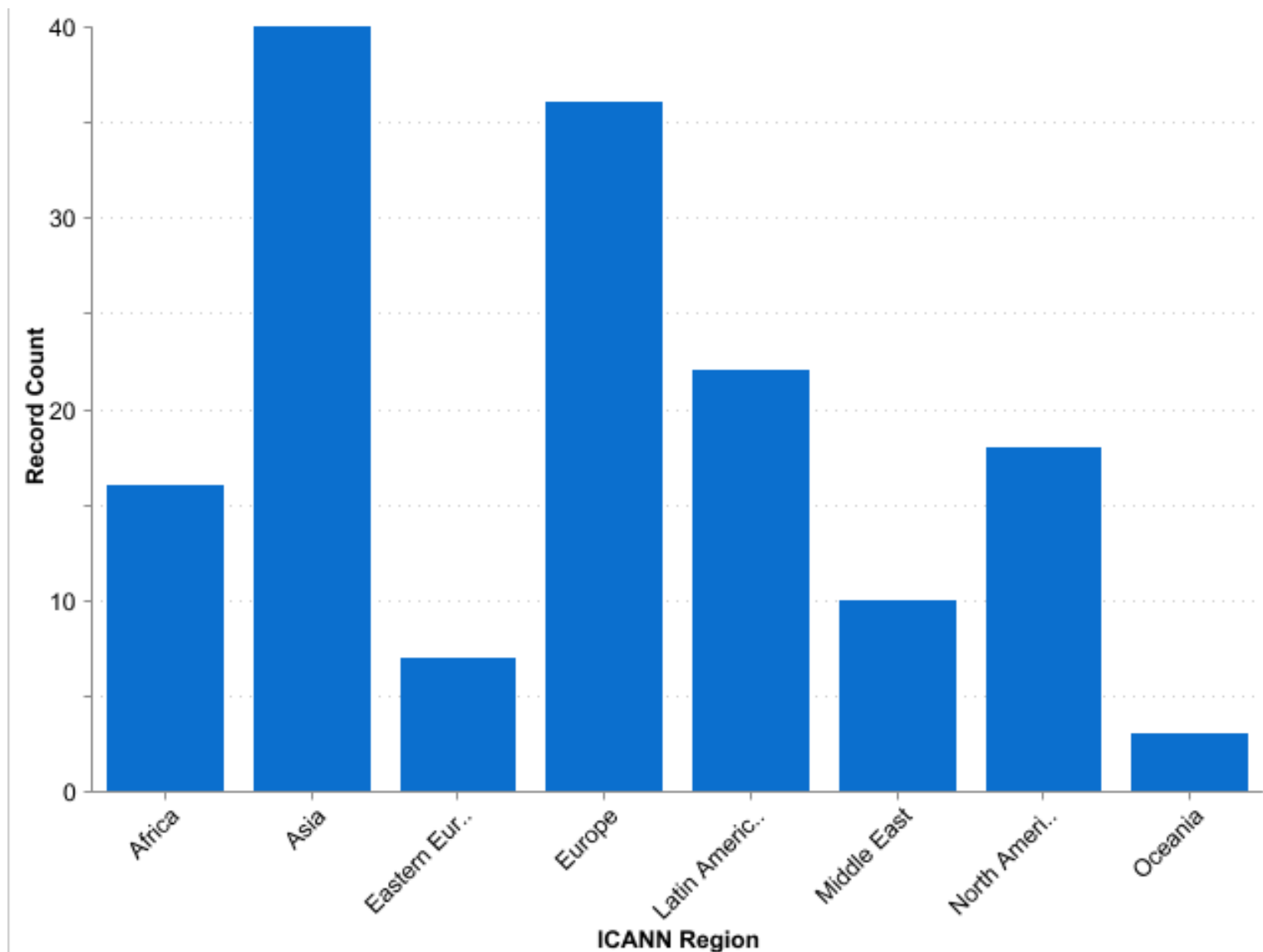
APAC & Oceania Update

Jia-Rong Low
Vice President and Managing Director, Asia Pacific Hub

ICANN

⊙ The ICANN Asia Pacific (APAC) Hub

⊙ APAC Community in ICANN

Operational Functions of ICANN APAC Hub

- APAC Human Resources, Finance & Facilities
- Communications
- Contractual Compliance
- Domain Name System Engineering
- End User Support
- Global Stakeholder Engagement
- Global Support
- Legal
- Registrar Services
- Registry Services

The Singapore office

- Oct 2015 - Moved to permanent location at South Beach Tower
- Reaffirms ICANN's commitment to globalization
- Office caters space for community/stakeholder activities

Inviting students of National University of Singapore students for on site visit and lecture (Oct 2015)

Hosting the International Institute of Communications (IIC) Singapore & TRPC Forum (Jun 2016, Oct 2016)

⊙Community participation

⊙Contribution to a Secure, Stable and
  Resilient unique identifier ecosystem

Increased APAC Community Participation

Policy Development Process (PDP)	PDP Launch Date	% of Global Members from APAC	Total number of Members
Privacy & Proxy Services Accreditation Issues	Oct 2013	5%	80
IGO-INGO Access to Curative Rights Mechanisms in all gTLDs	Jun 2014	3%	30
Next Generation gTLD Registration Services to Replace WHOIS	Nov 2015	**16.7%**	144
New gTLD Subsequent Procedures	Jan 2016	**19.1%**	141
Review of All Rights Protection Mechanisms (RPMs) in All gTLDs	Mar 2016	**9.86%**	142

Increased APAC Community Participation (II)

Government Participation

In Aug 2013, 40 out of 51 economies from the APAC region were members of the GAC.

Recent Additions:
- **2014 – Timor Leste**
- **2016 – Cambodia, Nepal,** and **Republic of Palau**

At-Large Participation

Since Aug 2013, the Asia-Pacific Regional At-Large Organization (APRALO) has welcomed 7 new At-Large Structures (ALS).

DNS industry

New gTLDs delegated - 177
Newly accredited Registrars – 159 to 228

Contributing to a secure, stable and resilient Internet

L-Root Deployment

55% growth in L-Root instances deployed in APAC region since Aug 2013

Recent additions:
- **2016 – Myanmar and Federated States of Micronesia**

DNSSEC Deployment

Prior to Aug 2013, 15 ccTLDs in APAC had deployed DNSSEC

Since Aug 2013:
- **2013 – Timor Leste (.TL), Kiribati (.KI),** and **China (.CN)**
- **2014 – Australia (.AU)** and **Indonesia (.ID)**
- **2016 – Singapore (.SG)**

Capacity Building

106 training events
58 locations in 27 economies

- DNS Topics: Managing Internet Identifier Systems, handling abuse and misuse of unique identifiers, DNSSEC
- TLD Registry Operators, Network Operators, CERTs, Law Enforcement

Highlights for FY17 Q1

Commonwealth Telecommunications Organization (CTO) Forum

Nadi, Fiji, Sep 2016

Attended by Savé Vocea, Vice President, Global Stakeholder Engagement, Oceania

Engaged on "Inclusive Multistakeholder Internet Governance" session

Readouts or debriefing sessions to share ICANN meeting takeaways with the wider community in local language

Beijing, July 2016
Tokyo, August 2016

Building Capacity: Increase understanding and participation

Asia Pacific Internet Governance Academy (APIGA)

Seoul, August 2016

Building Capacity: Technical

Domain Name System Security Extensions (DNSSEC) Workshop, Hanoi, July 2016

APNIC42 DNS Security Workshops, Colombo, October 2016

APAC Space Web Conference

Current Topic: New gTLD Subsequent Procedures Policy Development Process (PDP)

APAC Space @ ICANN57

Tuesday, 8 November 2016
3:15PM – 4:45PM (local time)

APAC Web Conference, September 2016

APAC Space at Marrakech, March 2016

Financial Update

Xavier Calvez
Chief Financial Officer

ICANN

FY17 Q1 Resource Utilization Estimate

Increase to Reserve Fund due to
Funding ahead of target and Expenses below target.

	Estimate	Budget	Var	% Var	LY	Var	% Var
Funding	$ 32	$ 32	$ 0	3%	$ 29	$ 3	11%
Baseline Expenses (Operating*/Capital)	-$ 24	-$ 29	$ 5	15%	-$ 22	-$ 2	-11%
IANA Stewardship Transition Expenses	-$ 3	-$ 2	$ -1	-44%	-$ 4	$ 1	32%
Net	**$ 5**	**$ 1**	**$ 4**	**n/a**	**$ 3**	**$ 2**	**n/a**

*Excludes bad debt and depreciation

FY17 Q1 Baseline Operating and Capital Expense Estimates vs Budget and Last Year

Estimate:	**$ 24**
Budget:	**$ 29**
Last Year:	**$ 22**

Lower personnel costs and timing differences of projects vs. plan.

PERSONNEL
- Est $ 13 avg hdct 337
- Bud $ 15 avg hdct 364
- LY $12 avg. hdct 306

TRAVEL & MEETINGS
- Est $ 2
- Bud $ 3
- LY $ 1

PROFESSIONAL SERVICES
- Est $ 3
- Bud $ 5
- LY $ 2

ADMINISTRATION*
- Est $ 4
- Bud $ 5
- LY $6

CAPITAL
- Est $ 2
- Bud $ 1
- LY $ 1
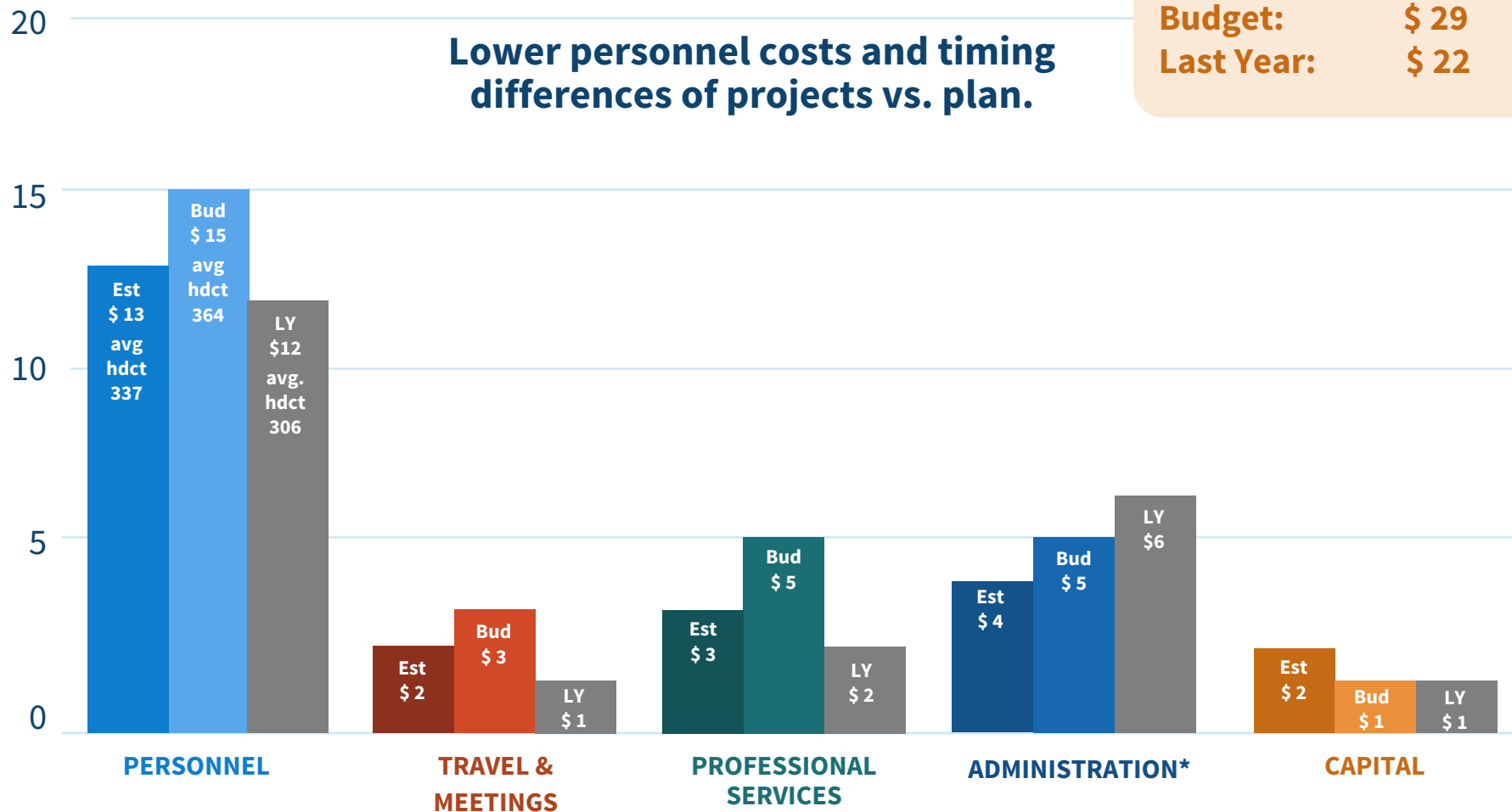
*Administration excludes bad debt and depreciation.

FY17 Q1 IANA Stewardship Transition Cost Estimates

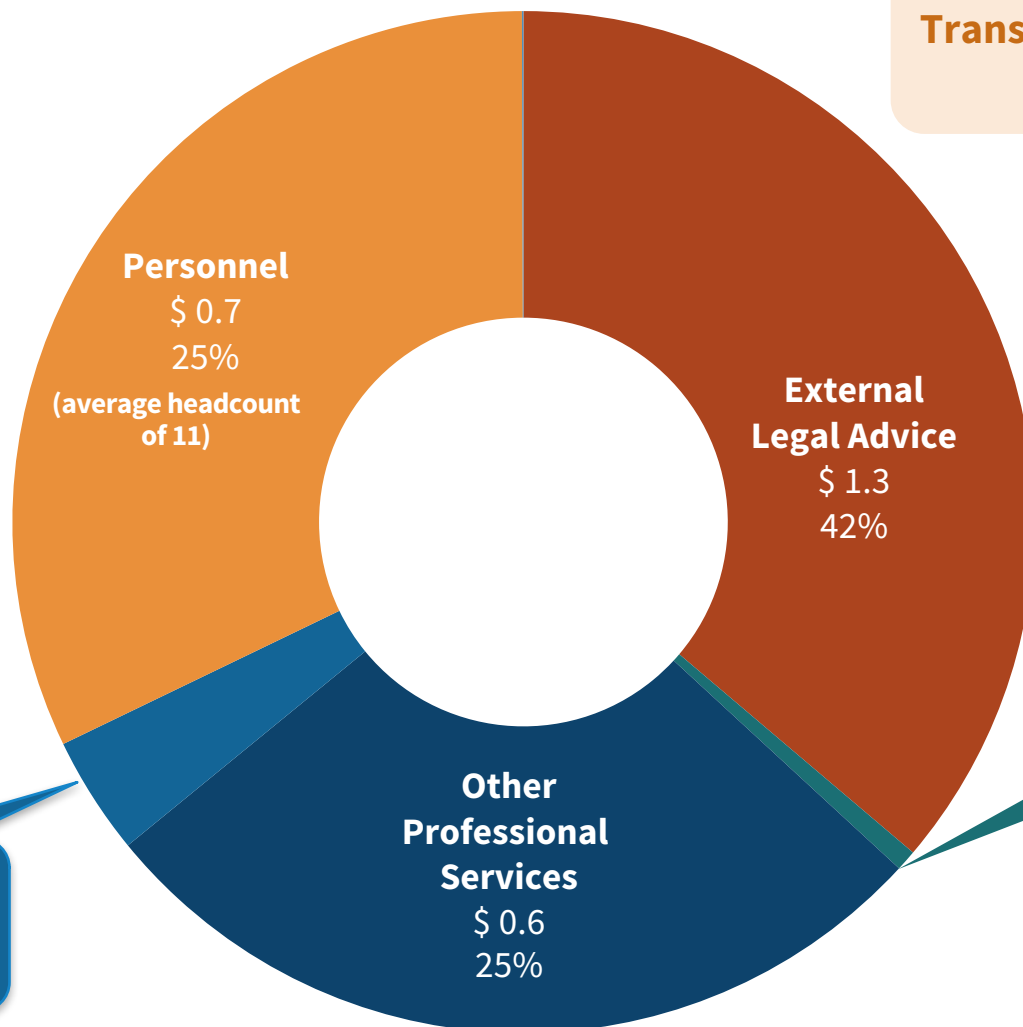Q1 Estimated IANA Stewardship Transition Costs: $ 2.8

Personnel
$ 0.7
25%
(average headcount of 11)

External Legal Advice
$ 1.3
42%

Other Professional Services
$ 0.6
25%

Travel & Meetings
$ 0.1
5%

Capital
$ 0.1
3%

FY17 Q1 New gTLD Program Cost Estimates

Processing costs lower than target driven by lower costs of contracting activities.

Forecast:	$ 7
Budget:	$ 8
Last Year:	$ 9

REFUNDS OF WITHDRAWN APPLICATIONS
- Fcst $ 1
- Bud $ 2
- LY $ 1

APPLICATION PROCESSING
- Fcst $ 5
- Bud $ 5
- LY $ 7

REPAYMENT OF HISTORICAL DEV. COSTS
- Fcst $ 1
- Bud $ 1
- LY $ 1
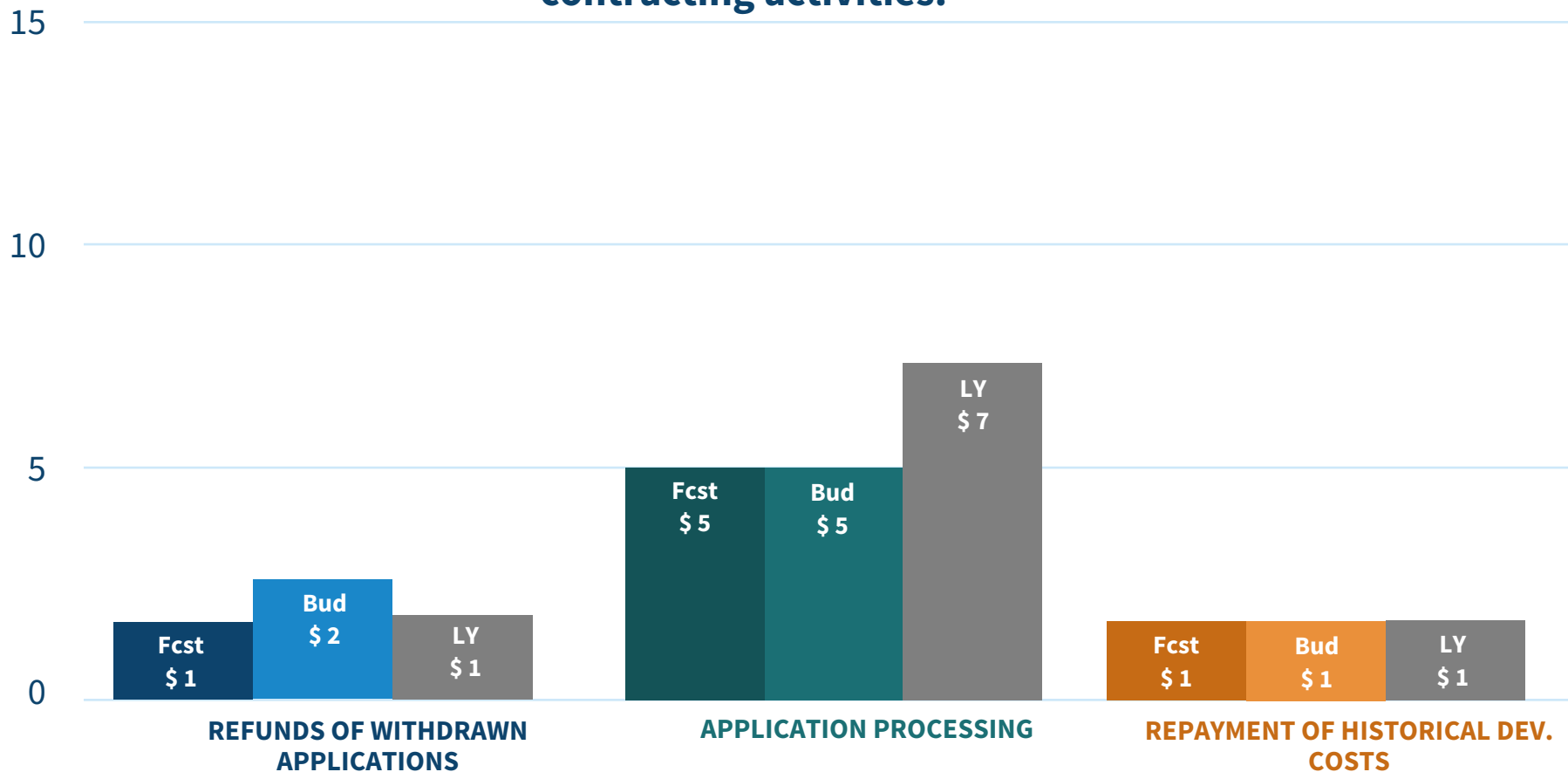
Funds Under Management Estimates

Total Funds: **$ 475**
ICANN Operations: $ 108
New gTLD Program-related: $ 367

ICANN Operations

$ 97
Operating Fund $ 26
Reserve Fund $ 71
30 Jun 2016

$ 108
Operating Fund $ 44
Reserve Fund $ 64
30 Sep 2016

New gTLD Program

$ 244
New gTLD Funds $ 142
Auction Proceeds $ 102
30 Jun 2016

$ 367
New gTLD Funds $ 133
Auction Proceeds $ 234
30 Sep 2016
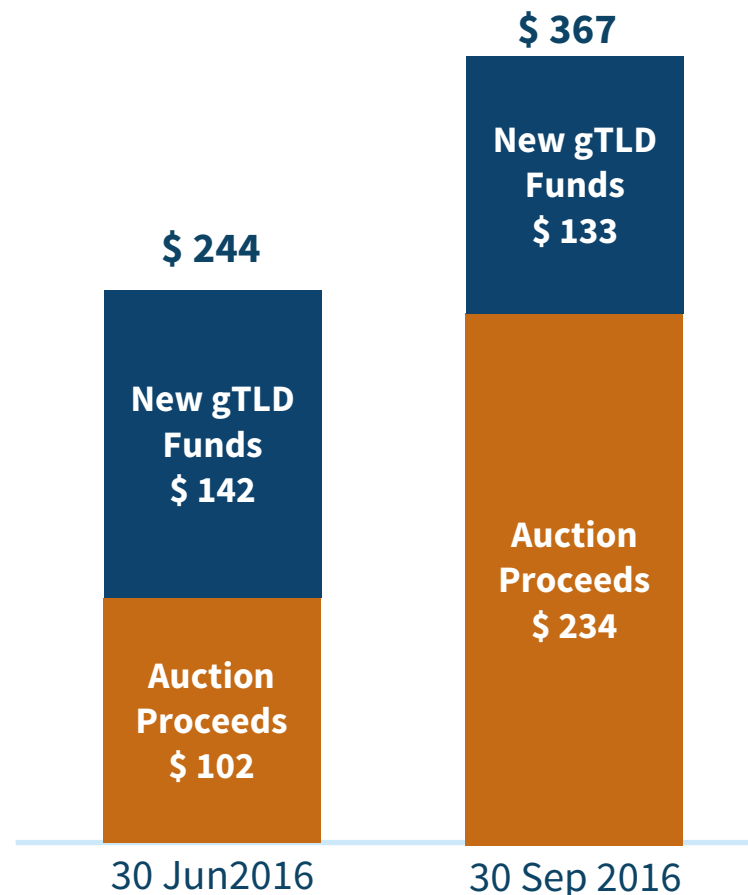
QUESTIONS?

Appendix

Total ICANN Overview

ICANN OPERATIONS		New gTLD PROGRAM	
FUNDING		FUNDING	
BASELINE EXPENSES *	PTI	IANA STEWARDSHIP TRANSITION EXPENSES	EXPENSES
OPERATING FUND		RESERVE FUND	New gTLD FUNDS

TOTAL ICANN
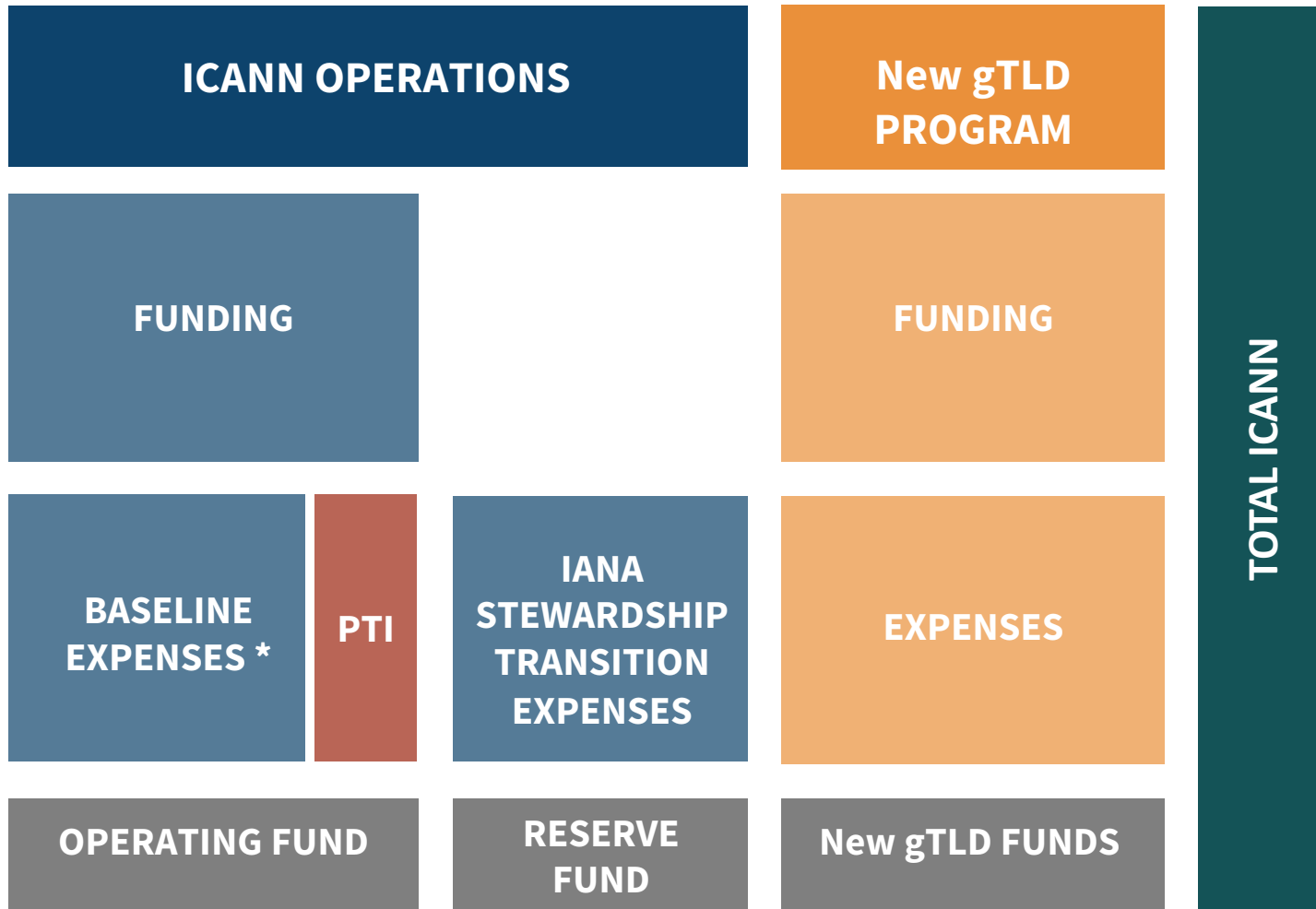
*Excludes depreciation and bad debt expenses

FY17 Q1 Funding Estimate

	Driven By Domain Name Registrations	Driven By # of Contracted Parties
FROM REGISTRIES	Transaction-based fees **$14M** 42%	Per-TLD fixed fees **$7M** 22%
FROM REGISTRARS	Transaction-based fees **$8M** 26%	Application fees Accreditation fees **$2M** 7%
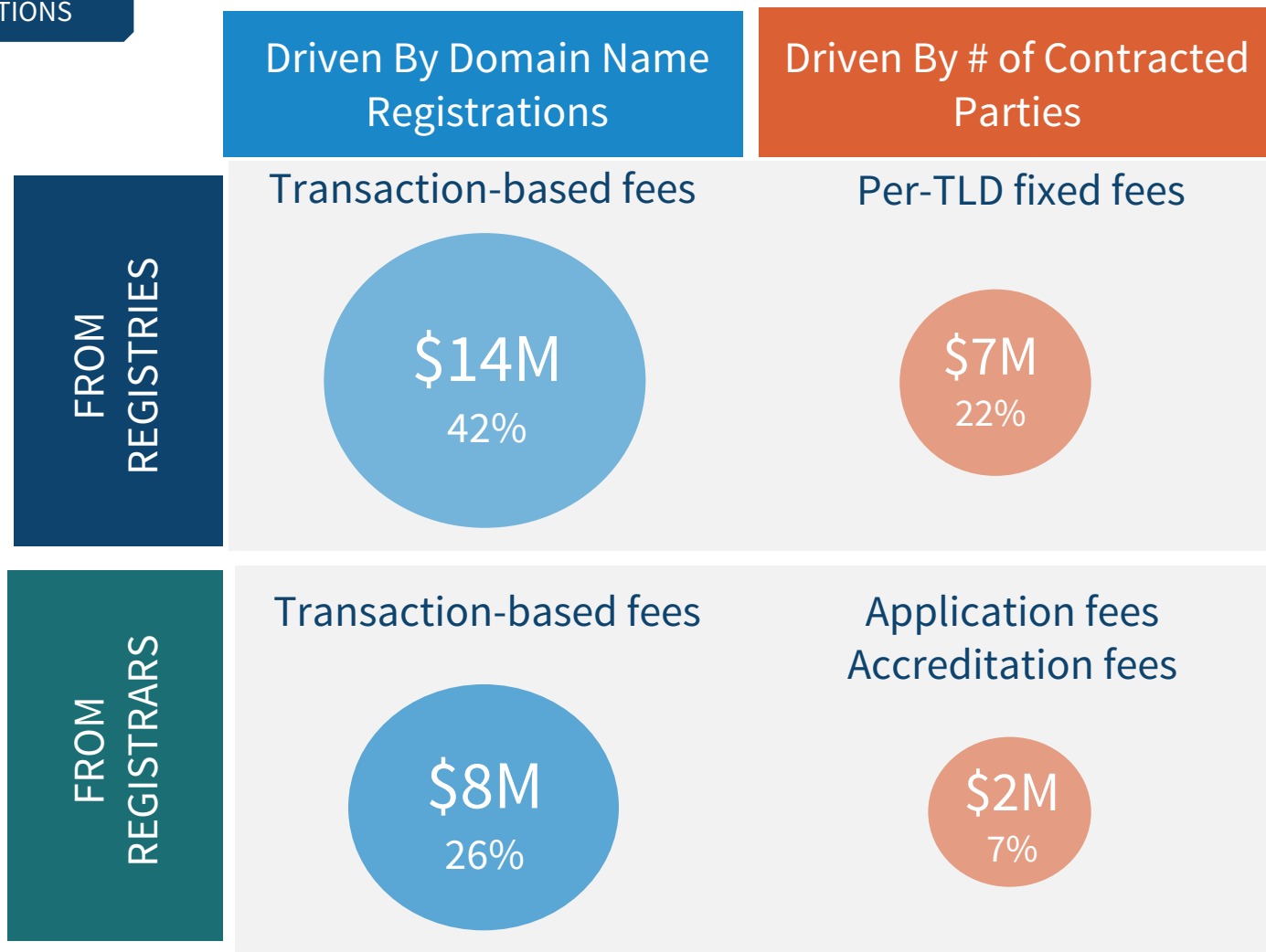
Other Income: $1M, 3%   Total Funding: $32M

FY17 Q1 Baseline
Operating and Capital Expense Estimates

Includes IT infrastructure and security improvements

Includes rent and other facilities costs and telecommunications

Includes contractor services, legal fees and language services

Includes travel and venue costs for outreach and meetings.

Q1 Estimated Baseline Operating & Capital Expenses : $ 24M

Capital $2 9%

Admin.* $4 15%

Professional Services $3 13%

Personnel $13 54%

Travel & Meetings $2 9%

Reflects a Estimated average headcount of 337, which excludes 11 average headcount allocated to initiatives
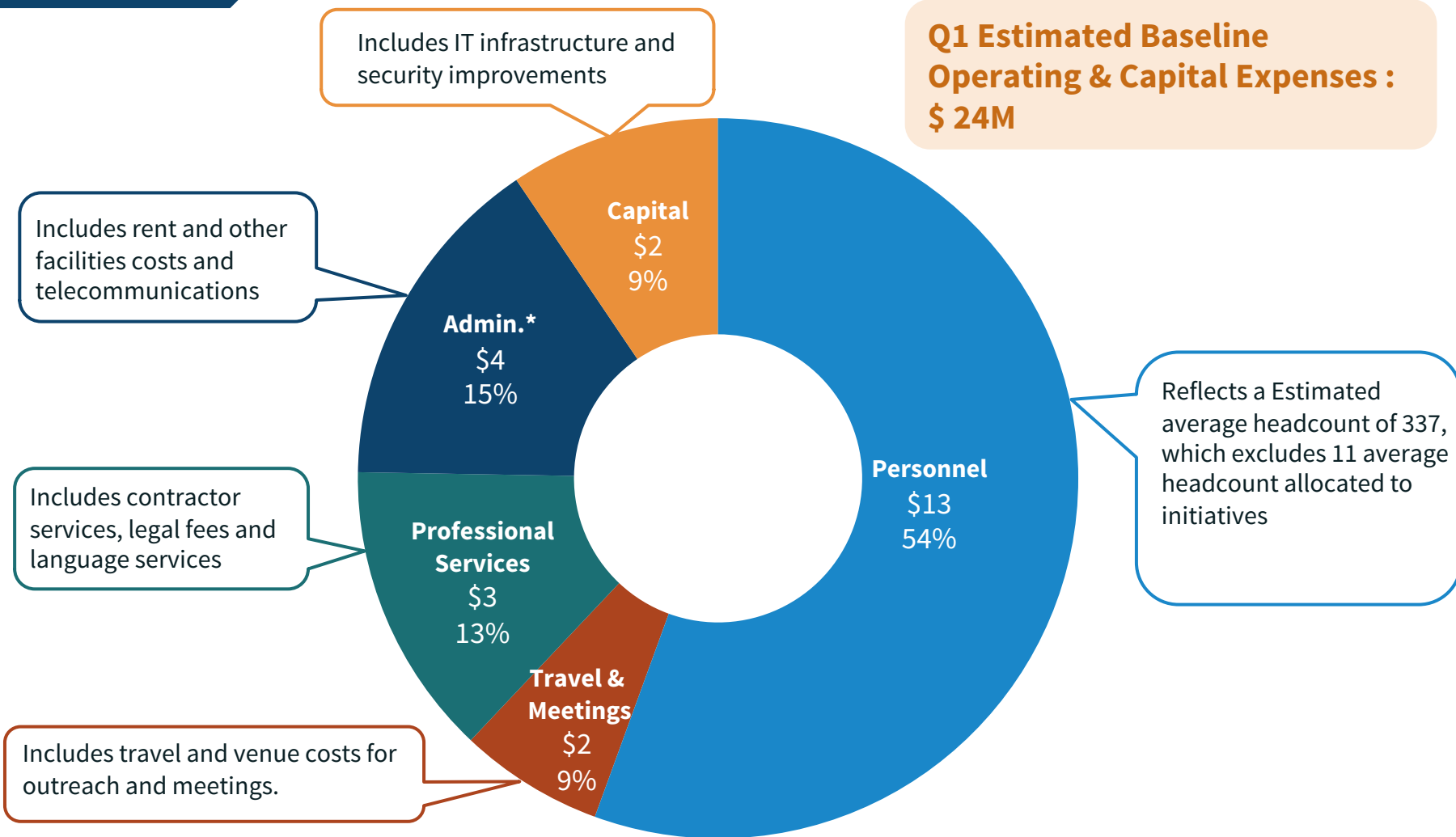
*Excludes bad debt and depreciation

New gTLD Program – Multi-year Forecast

New gTLD PROGRAM

Application fees collected   **$ 362**

$ 274   **$ 89**   **$ 15**

$ 32

Costs $ 15

FY18 & BEYOND FORECAST

Refunds $ 53

$ 24

Refunds $ 10

Costs $ 22

FY17 FORECAST

Refunds $ 3

Costs $ 21

$ 203

Refunds $ 40

FY16 ACTUAL

Costs $ 221

Costs $ 163

Refunds

Remaining funds for unexpected expenses (including risks)

Application processing costs

.... Cumulative costs

FULL PROGRAM FORECAST

FY12-15 ACTUAL
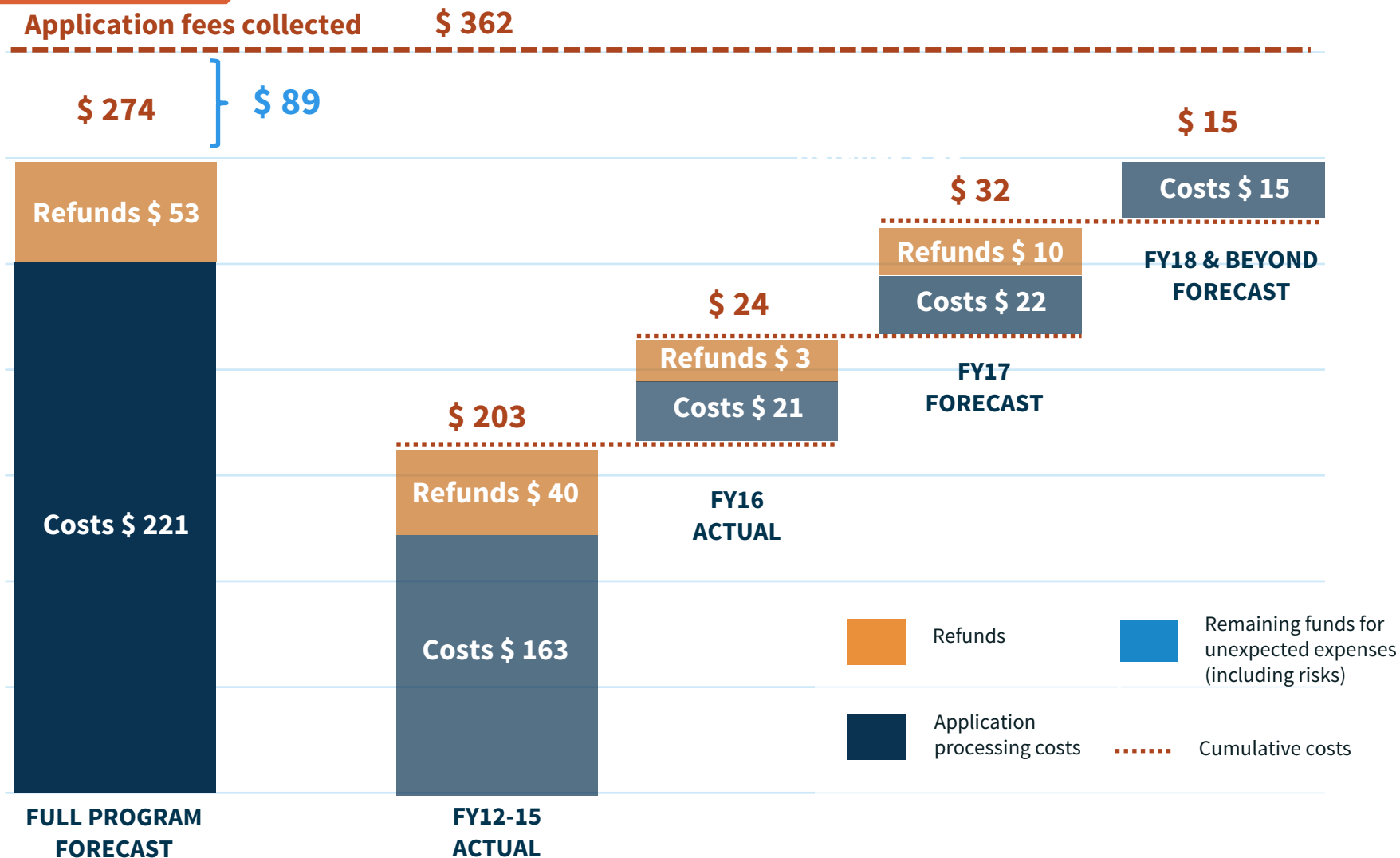
FY17 Budget Resource Utilization

FY17 approved budget, aligned to Operating Plan, published on ICANN.org

	FY17 Budget
Support & Revenue	**$ 132**
Baseline Expenses (Operating*/Capital)	**-$ 123**
PTI (IANA operations)	**-$ 9**
Net	**$ 0**

*Excludes bad debt and depreciation