

FY16 Q1 Stakeholder Call

7 October 2015 | For quarter ending 30 September 2015

Agenda

- ⦿ **President's Overview (10 min)** - Fadi Chehadé
- ⦿ **Policy Update (10 min)** – David Olive & Adiel Akplogan
- ⦿ **Management Update (15 min)** – Ashwin Rangan
- ⦿ **Financial Update (10 min)** – Xavier Calvez
- ⦿ **Q&A (30 min)** - All

A world map where the continents are defined by a network of white dots connected by thin white lines, set against a dark blue background. The dots vary in size, and the lines form a complex web that outlines the major landmasses.

President's Overview

Fadi Chehadé, President and CEO

Overview

- ⦿ FY16 Q1 for period ending 30 September 2015

Topics:

- Beta KPI Dashboard
- Operational performance and excellence
- Contractual Compliance
- IANA Stewardship Transition
- Enhancing ICANN's Accountability
- Community support
- Internet Governance

Beta KPI Dashboard

Objectives & Overall Status

- ▶ **1** Evolve and further globalize ICANN
- ▶ **2** Support a healthy, stable and resilient unique identifier ecosystem
- ▶ **3** Advance organizational, technological and operational excellence
- ▶ **4** Promote ICANN's role and multistakeholder approach
- ▶ **5** Develop and implement a global public interest framework bounded by ICANN's mission

75

66

88

86

74

How to read and understand the charts:

0 - 49

Tracking significantly short of target
Immediate corrective action needed

50 - 84

Tracking short of target
Corrective actions as needed

85 - 100

Tracking to target
Stay the course, no corrective action needed

Beta KPI Dashboard:
<https://www.icann.org/progress>

Operational Performance

FY16 Q1 HIGHLIGHTS

80 TLDs delegated

197 Registry Agreements signed

IDNs: Arabic and Armenian Generation Panels became first to submit their label generation rules for public comment

Competition, Consumer Trust and Consumer Choice (CCT) Review metrics hub launched

- ⦿ Commenced FY17 Operating Plan and Budget process
- ⦿ FY16 Q1 financial position: trending favorably versus plan, with estimated revenue approximately at budget and timing differences leading expenses to be below budget
- ⦿ Globalization: Global Support Center in place, offering 24x5 coverage and voice support in 8 languages
- ⦿ Waived Registrar Insurance Requirement in all Registrar Accreditation Agreement (RAA) effective immediately
- ⦿ Conducted organization-wide FY15 EFQM internal assessment; launched FY16 EFQM plan for continued improvements and second internal assessment

Contractual Compliance

CONTRACTUAL COMPLIANCE AUDIT

11 gTLD registries successfully completed the March 2015 Audit.

69 Registrars selected across 23 countries for the September 2015 Audit.

- ⦿ The March 2015 Registry audit round is now complete. The Audit Report will be published in October
- ⦿ A new round of Registrar audit started in September
- ⦿ Contracted Parties Outreach efforts held in August with the Korean Contracted Parties and in September, during the GDD Summit
- ⦿ Ongoing outreach efforts with various stakeholders regarding the submission and handling of reports of abuse and illegal activity under Section 3.18 of the 2013 RAA

IANA Stewardship Transition: Public Comment Period



Public comment period ended:

8 September

In September 2015, the ICG met in Los Angeles to review and discuss the **159 comments** received during public comment process:

- ⦿ Majority of comments expressed support for proposal
- ⦿ Clarifications will be requested of each operational community on:
 - Cooperation in case of operator change (all)
 - Intention to participate in Names-proposed mechanisms (CRISP Team)
 - Remit, composition, and other details about proposed mechanisms (CWG-Stewardship)

Elements to enhance ICANN accountability for a successful IANA Stewardship Transition	Broad community agreement on elements replacing USG backstop role in IANA Contract	Broad community agreement on additional elements	Broad community agreement on requirements but not on implementation approach	No broad community agreement on requirement or implementation approach
1. Oversight of IANA operations by operational communities	✓			
2. Assurance of IANA service levels	✓			
3. Guarantee of continued IANA funding	✓			
4. Community right to remove Board Directors	✓			
5. Community power to appeal IANA decisions	✓			
6. Establish higher thresholds to modify Bylaws deemed 'Fundamental'	✓			
7. Reaffirm in Bylaws current requirement of Board/GAC consultation on consensus advice.	✓*			
8. Include AOC reviews into Fundamental Bylaws	✓			
9. Strengthen, make binding, and improve timeliness and effectiveness of IRP		✓		
10. Broaden scope and improve effectiveness of Reconsideration process		✓		
11. Promote diversity within ICANN's community and activities		✓		
12. Adhere to Mission and Core Values and new Commitments (all within remit)		✓		
13. Community consent to change all Bylaws		✓		
14. Continue accountability improvements post IANA Stewardship Transition		✓		
15. Empower community role in developing and objecting to Strategic and Operating Plans and Budget			○	
16. Empower community with new legal enforcement (statutory rights under California law or binding arbitration)			○	
17. New structure with legal authority to change any and all Bylaws ?				?
18. New structure with legal authority to freeze annual Budget ?				?
19. New structure with legal authority to directly appoint and remove Directors without cause				?



Elements addressing all CWG-Stewardship dependencies on the CCWG-Accountability

** GAC has not taken a position*

WHY IT'S IMPORTANT

ICANN operates in a bottom-up, multistakeholder model.

ICANN is committed to offering the tools, resources and programs to help this community do its important work.

- ⦿ NextGen@ICANN- 59 applicants for ICANN54, 13 accepted
 - ⦿ “NextGen Ambassador” selected from ICANN53 to attend and offer key insight to NextGen group at ICANN54
- ⦿ Fellowship Program – 446 applications; 47 accepted for ICANN54
- ⦿ [ICANN Learn](#)- unveiling improved platform at ICANN54
 - ⦿ New courses added
 - ⦿ Maintaining 1,200 active users per month

Internet Governance

WHY IT'S IMPORTANT

ICANN is one participant of many in the Internet governance ecosystem, and participates because it is committed to maintaining a single stable open and interoperable Internet.

- ⦿ Participation in the preparations for World Summit on the Information Society (WSIS +10) Review process
- ⦿ Preparations for Internet Governance Forum (IGF) in Brazil
 - Ongoing support for the IGF and participation from ICANN
- ⦿ NETMundial Initiative
 - Launched the beta version of the NetMundial Collaboration Platform 1 October 2015:
 - <https://platform.netmundial.org/>



Policy Update

David Olive, VP Policy Development
Support & Adiel Akplogan, VP
Technical Engagement

Generic Names Supporting Org. (GNSO)

FY16 Q1 HIGHLIGHTS

4 motions adopted

13 Policy Development processes underway

Over 40 GNSO sessions being planned for ICANN54

MORE INFORMATION

<https://www.icann.org/policy>

<http://gns0.icann.org/en/>

New areas of work in FY16 Q1

- ⦿ New gTLD Subsequent Procedures Preliminary Issue Report
- ⦿ Next Generation gTLD Registration Directory Service (RDS) to replace Whois Preliminary Issue Report
- ⦿ New gTLD Auction Proceeds Discussion Paper

Completed work in FY16 Q1

- ⦿ Translation & Transliteration of Contact Information (adopted by ICANN Board)
- ⦿ GNSO Policy & Implementation (adopted by ICANN Board)
- ⦿ GNSO Review of GAC Communiqué

Country-Code Names Supporting Org. (ccNSO)

FY16 Q1 HIGHLIGHTS

5 cross-community
working groups
(chartering organization)

8 ccNSO working groups

12 Council decisions

2 standing Council
committees

30+ sessions at ICANN54

- ⦿ Focus on IANA Stewardship Transition and ICANN Accountability: ccNSO Council supports submission CWG-Stewardship Final Transition Proposal to ICG
- ⦿ Advisory team to assist in implementation of Framework of Interpretation of Policy Documentation (RFC 1591) for delegation, revocation and transfer (re-delegation) of ccTLDs
- ⦿ Launch of oversight and guidance committee for security incident response email list, focus on inclusion of additional ccTLDs, innovation and operational guidance.
- ⦿ Launch WG to provide guidance on second similarity review. Will seek participation from GAC and SSAC

MORE INFORMATION

<https://www.icann.org/policy>

<http://ccnso.icann.org/>

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

- ⦿ Second draft of the RIR-ICANN Service Level Agreement
 - ⦿ <https://nro.net/sla>
- ⦿ All SLA processes and discussions documented at:
<https://www.nro.net/iana-oversight>
- ⦿ Independent Review of RIR Accountability currently in process
- ⦿ NRO comments to CCWG-Accountability and ICG proposals:
 - ⦿ <https://www.nro.net/documents/nro-comments-to-ccwg-second-draft-proposal>
 - ⦿ <https://www.nro.net/documents/nro-comments-to-icg-proposal>



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

- ◉ From 30 September, ASO AC started the election process for ICANN Board Seat 10 (Kuo-Wei Wu position). This seat starts its term in October 2016
- ◉ Hartmut Glaser appointed to NomCom 2016
- ◉ Tomohiro Fujisaki, Aftab Siddiqui (APNIC Region) reappointed to ASO AC/NRO NC
- ◉ ARIN IPv4 free pool reached depletion on 24 September 2015
- ◉ RIR mailing list and policy development participation:
 - ◉ <https://www.nro.net/policies>

Next RIR Meetings:

AFRINIC 23- Pointe-Noire, Congo - 28 Nov – 4 Dec 2015

APNIC40- Auckland, New Zealand 15-26 February 2016

ARIN 36 - Montreal, Canada 8-9 October 2015

LACNIC 25- Havana, Cuba 2-6 May 2016

RIPE 71 - Bucharest, Romania 16-20 November 2015



Internet Engineering Task Force (IETF)

- ⦿ Security and privacy of Internet traffic continues to be a big topic for IETF
 - ⦿ Use of encrypted HTTPS traffic continues to grow in the Internet
 - ⦿ IETF recently turned RFC 1984 from an Informational document to a Best Current Practice document, recommending the use of strong cryptography in the Internet
 - ⦿ Recent GSMA-IAB workshop focused on the question of how to manage encrypted traffic in networks
- ⦿ IETF-related IANA transition activities are ready to move forward, but while there is no IETF dependency on ICANN accountability work, other parts of the Transition wait for this



A world map composed of a network of white dots and lines on an orange background. The dots represent nodes and the lines represent connections, forming a complex web that outlines the continents.

Management Update

Ashwin Rangan, Chief Innovation and
Information Officer

Executive Summary

- ⦿ Information Technology & Internet Technology update
- ⦿ Global Domains Division (GDD) update
- ⦿ Contractual Compliance metrics
- ⦿ Globalization and stakeholder engagement metrics

Information Technology Update

1

Salesforce Reboot-
Report out

2

IT Best Practices- Review

3

Digital Services- “Find it,
Fix it” status

Internet Technology / Office of CTO Update

WHY IT'S IMPORTANT

Maintaining the security, stability and resiliency of the Internet is a core part of ICANN's mission, and fundamental to the Internet and ICANN's work.

- ⦿ Ongoing Technical and Security Engagement
 - ⦿ Collaboration with the Operational Security community
- ⦿ DNSSEC Root Key Rollover Recommendations
 - ⦿ Public comment closed on 5 October
- ⦿ Research Projects underway
 - ⦿ Implications of IPv4 free pool exhaustion, "Internet Health Indicators," investigation of "middlebox" DNS implementation
- ⦿ Preparations for Dublin meeting
 - ⦿ Technical Experts Group, "How it Works" tutorials

Contractual Compliance – FY16 Q1 Metrics



Total Volume	Jul-15	Aug-15	Sep-15	Q1 Total	Q4 Total
Total New	4,005	4,154	4,541	12,700	13,921
Total Closed	5,135	3,621	4,762	13,518	12,603

Closure Rates	Jul-15	Aug-15	Sep-15	Q1 Average	Q4 Average
New Tickets	65%	55%	62%	60.67%	50%
All Tickets [Target >= 55%]	78%	65%	73%	72%	63%

Turnaround Time (days)	Jul-15	Aug-15	Sep-15	Q1 Average	Q4 Average
Received-to-Closed	12.7	10.1	11.3	11.4	11.7

Published Monthly Dashboard at: <https://features.icann.org/compliance>

GDD: New gTLD Program

*as of 30 September 2015

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.

80

Strings delegated
in FY16 Q1

759 total*

197

Registry Agreements
signed in FY16 Q1

1192 total*

3

Contention sets
resolved in FY16 Q1

207 of 233 total*

New gTLD Program Reviews Updates*

- ⦿ Program Implementation review published
- ⦿ Revised Rights Protection Mechanisms report [published](#)
- ⦿ Economic study [published](#)
- ⦿ Domain registrant survey [published](#)
- ⦿ Competition, Trust & Choice [metrics hub](#) launched

MORE INFORMATION: <http://newgtlds.icann.org/reviews>

GDD: Internationalized Domain Names

WHY IT'S IMPORTANT

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

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

IDN Top-level Domain (TLD) Program

- ⦿ Arabic and Armenian communities first to submit Label Generation Rules proposals
- ⦿ Laos script Generation Panel formed
- ⦿ Rules for 18 of 28 scripts currently in various stages of development

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

GDD: Universal Acceptance of TLDs

WHY IT'S IMPORTANT

Universal Acceptance means that users globally can access any name in any top-level domain (TLD) from any web browser, email client, or other Internet application through a computer or other electronic device.



Learn more at ICANN54 in Dublin:

- Universal Acceptance of TLDs – Monday, 19 October

First UA-related study published in September 2015:

- “An Analysis of New gTLD Universal Acceptance”
<https://www.icann.org/news/announcement-2015-09-14-en>

MORE INFORMATION: <https://www.icann.org/universalacceptance>
<https://community.icann.org/pages/viewpage.action?pageId=47255444>

GDD: IANA Department Tickets

396

Domain
related
requests

634*

Protocol
related
requests

1

Number
related
event

1 Key signing
ceremony

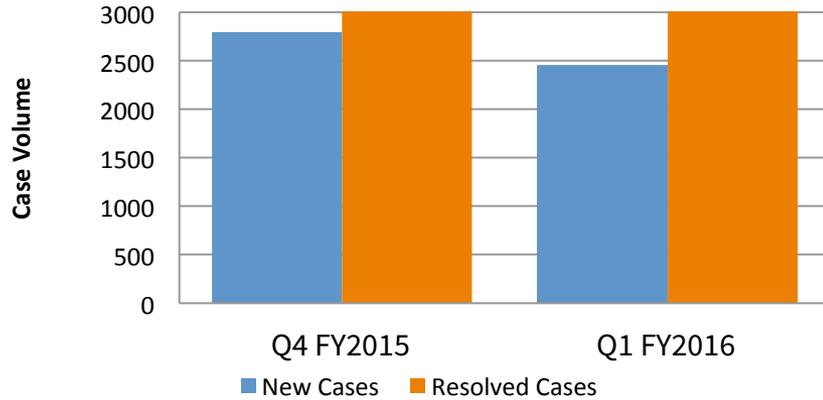
371 General
inquiries

* The total number of protocol related requests represents July and August 2015 only
All other statistics have been calculated based on the period between 1 July – 30 September 2015

GDD: Global Support Center Tickets

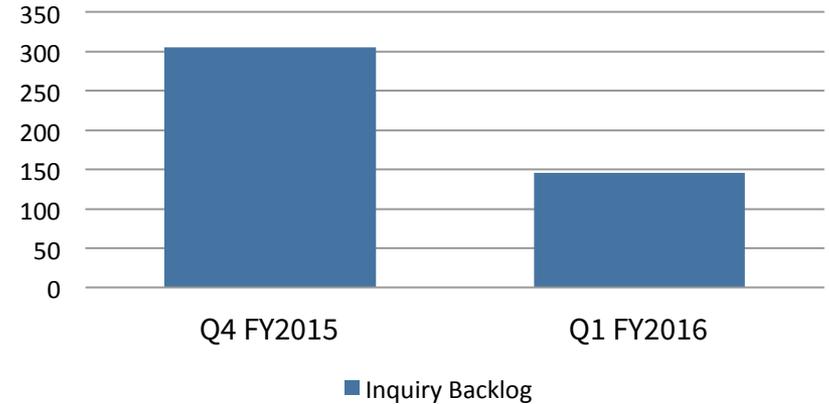
Case Volume Trending

Cases Created & Resolved



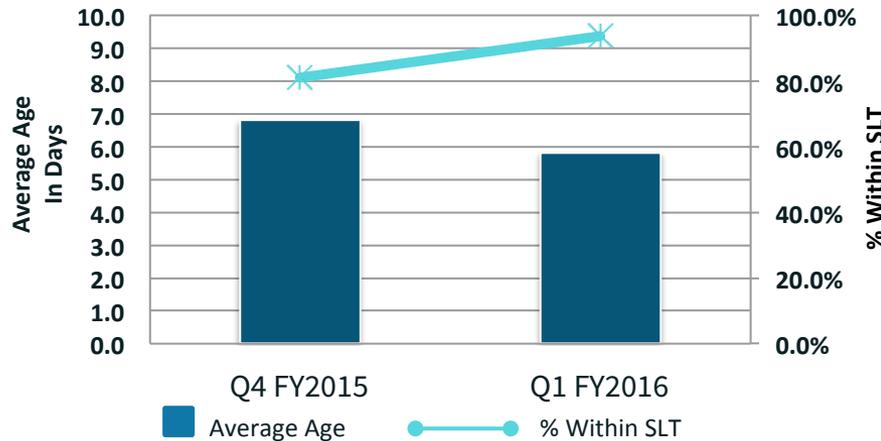
Case Backlog

Quarter End Volume Trending



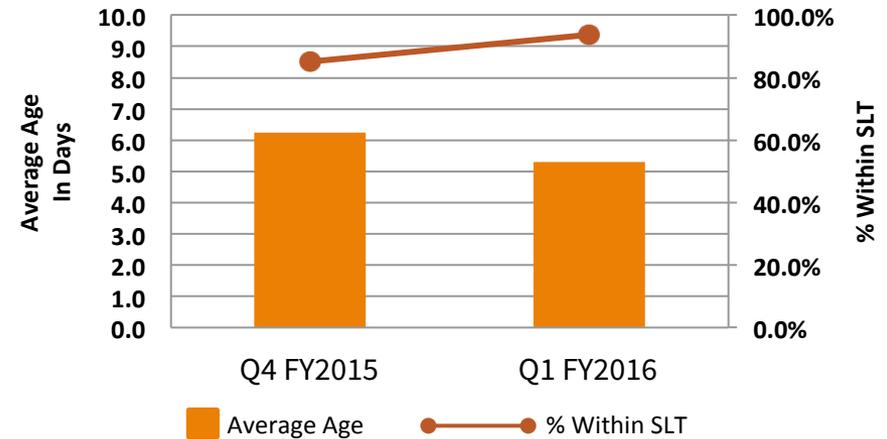
Status Frequency

Communication & Updates



Resolution Time Target

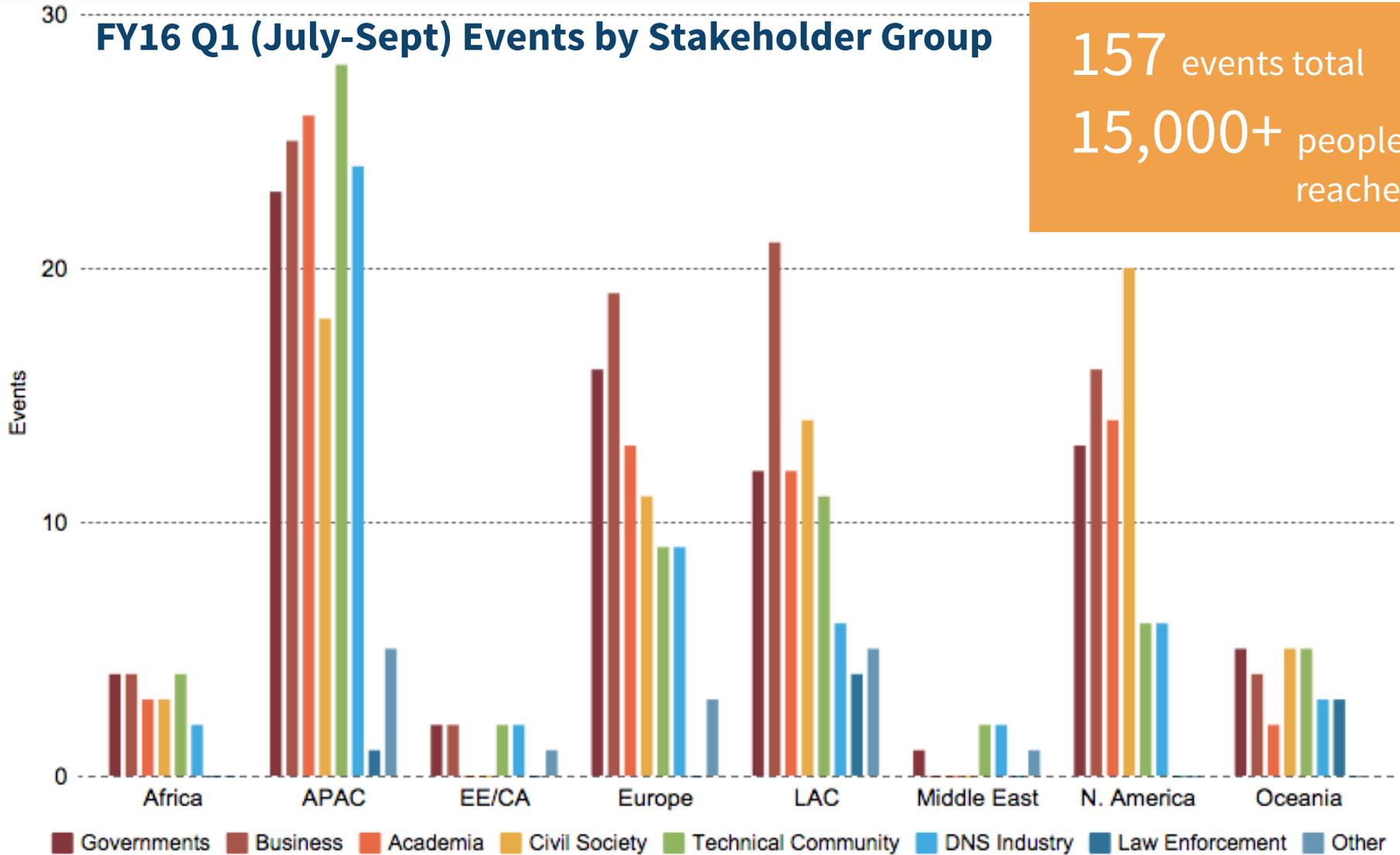
Case Aging



Stakeholder Engagement and Outreach

FY16 Q1 (July-Sept) Events by Stakeholder Group

157 events total
15,000+ people reached



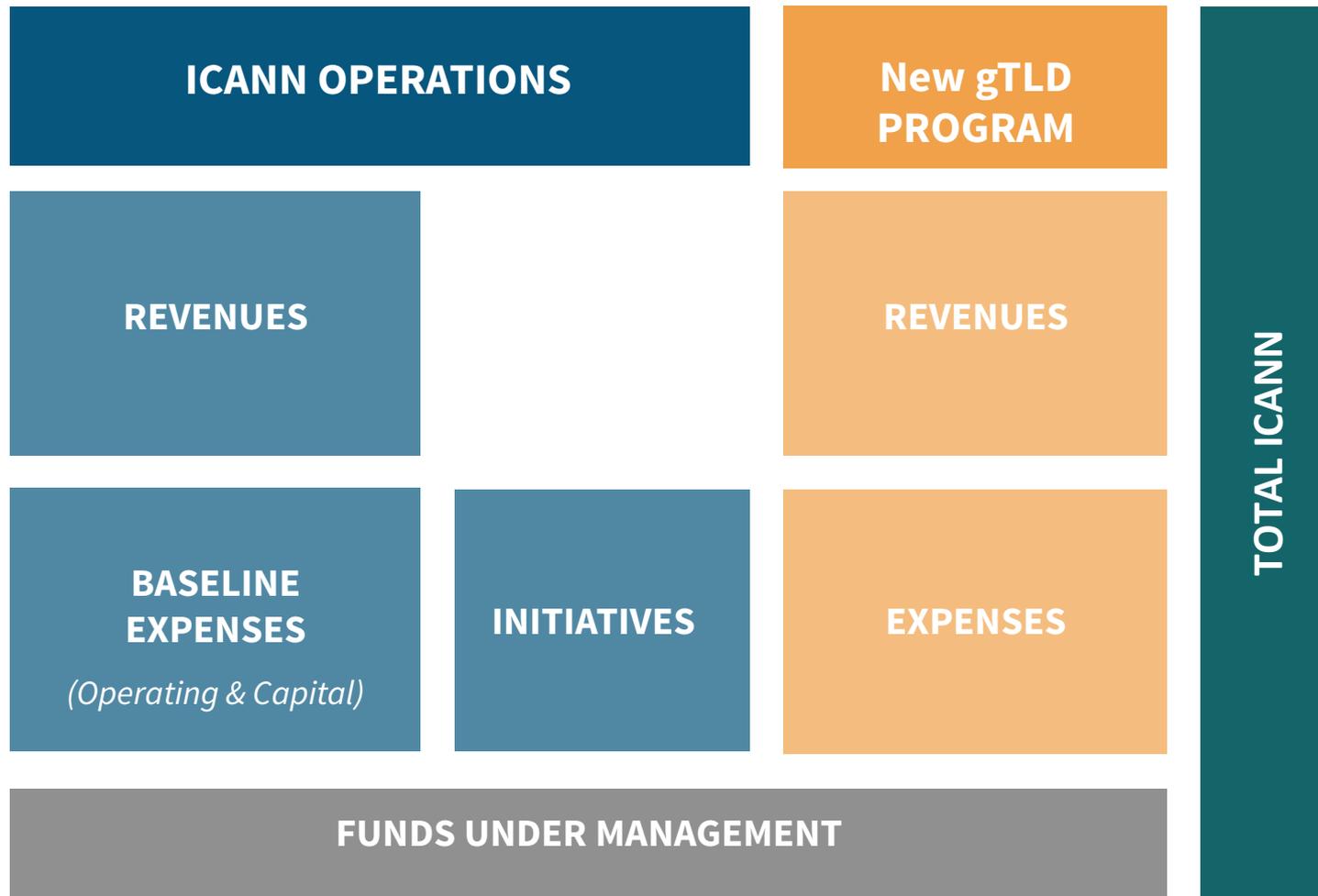
MORE INFORMATION: <https://community.icann.org/category/gse>

A world map where the continents are defined by a network of white dots connected by thin white lines. The dots vary in size, and the lines form a complex web that outlines the major landmasses. The background is a solid dark blue color.

Financial Update

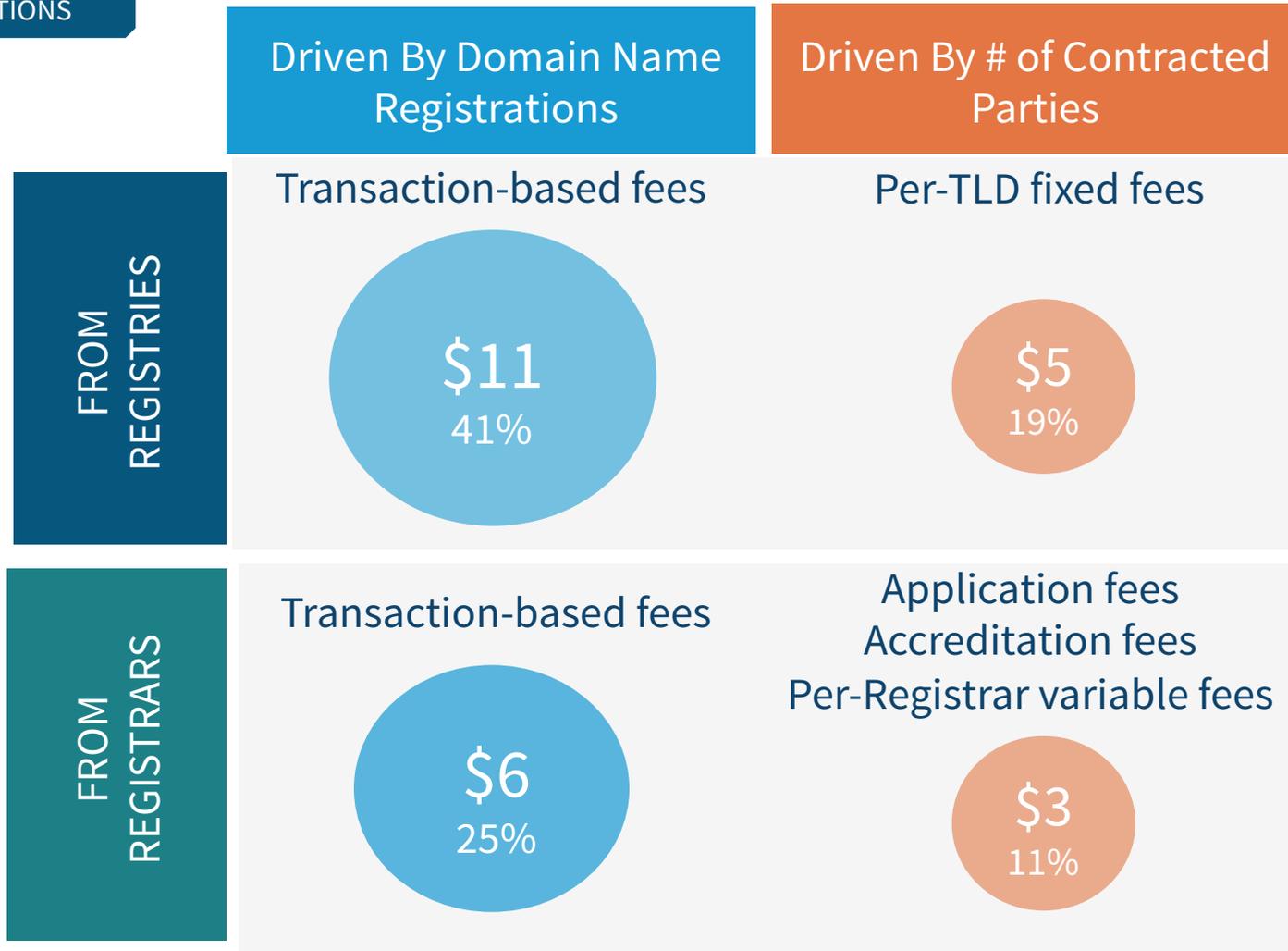
Xavier Calvez, CFO

Total ICANN Overview



FY16 Q1 Revenues Estimate

ICANN OPERATIONS



Other Income: \$1 (4%)

Total Revenues: \$26

FY16 Q1 Revenues Estimate vs Budget and Last Year

ICANN OPERATIONS

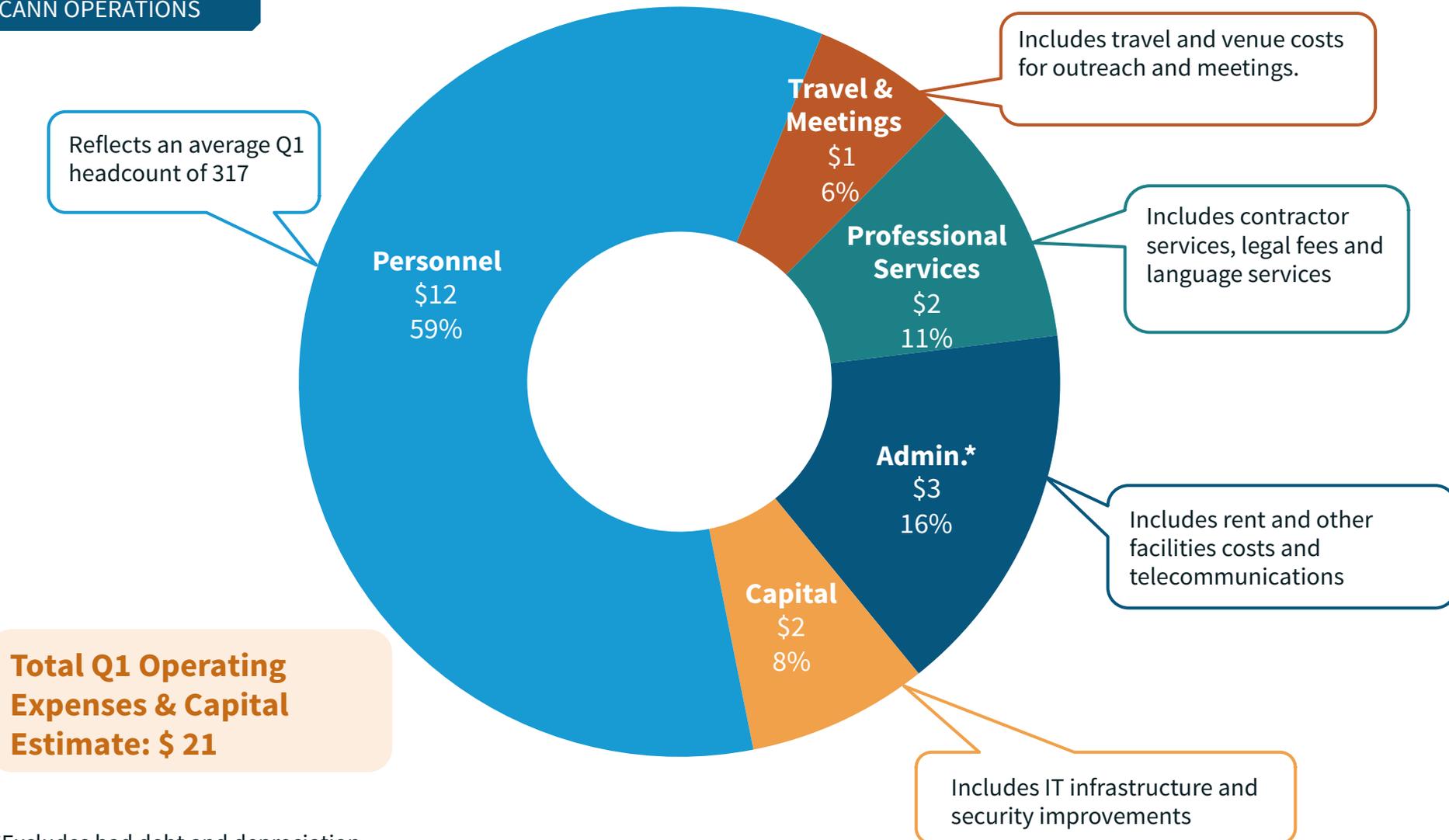
Revenues on target.

Estimate: \$ 26
Budget: \$ 26
Last Year: \$ 23



FY16 Q1 Baseline Operating and Capital Expenses Estimates

ICANN OPERATIONS



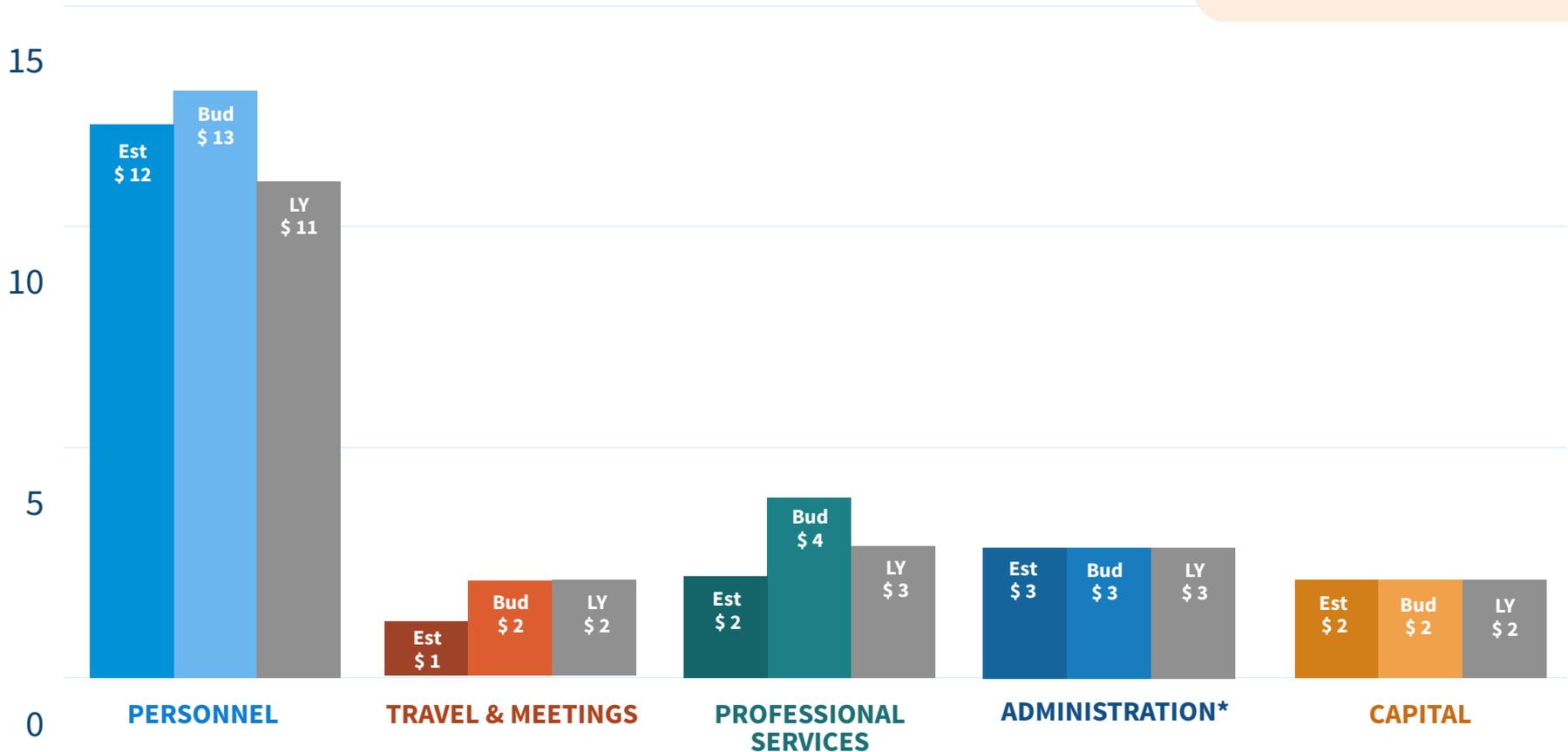
*Excludes bad debt and depreciation

FY16 Q1 Baseline Operating Expenses and Capital Estimates vs Budget and Last Year

ICANN OPERATIONS

**Timing differences of projects vs. plan
and slower hiring than budgeted.**

Estimate: \$ 21
Budget: \$ 25
Last Year: \$ 20



*Excludes bad debt and depreciation

FY15-16 Initiatives Estimates

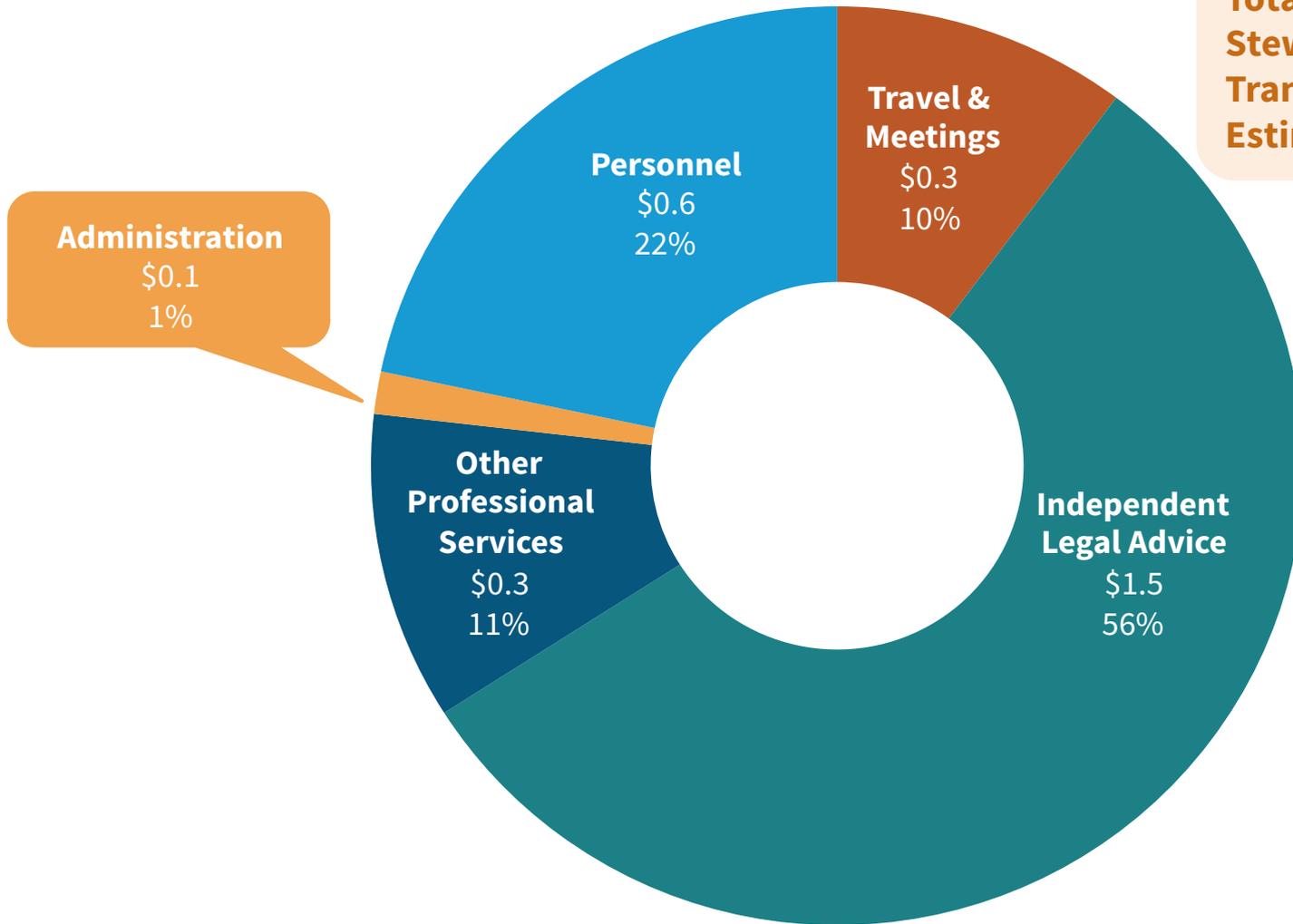
ICANN OPERATIONS

	Q1 Estimate	Q1 Budget	FY16 Budget
USG Stewardship Transition	\$ 2.8	\$ 1.8	\$ 7.0
Public Responsibility	0.3	1.1	2.5
Hardening Critical IT Infrastructure	0.4	0.5	2.5
New gTLD - Next Round Assessments & Preparation	0.1	0.1	0.5
Implementation of Reviews Recommendations	0.0	0.1	0.3
Total Initiatives	\$ 3.6	\$ 3.6	\$ 12.8

FY16 Q1 USG Stewardship Transition Cost Estimates

ICANN OPERATIONS

**Total Q1 USG
Stewardship
Transition Cost
Estimate: \$ 2.8**



FY16 Q1 Resource Utilization Estimate

ICANN OPERATIONS

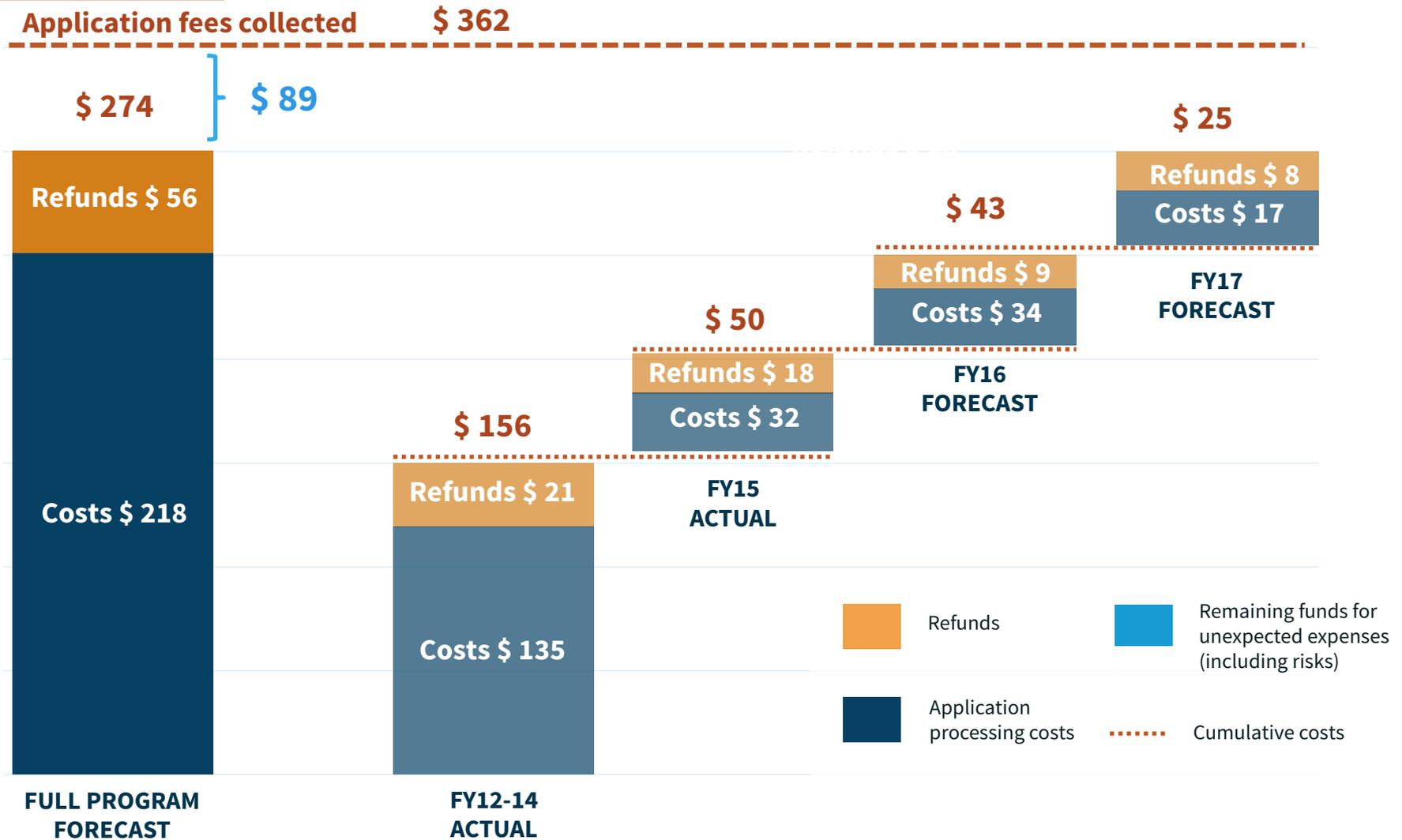
Net excess for Q1, mainly due to timing differences.

	Estimate	Budget	Var	% Var	LY	Var	% Var
Revenues	\$ 26	\$ 26	\$ 0	0%	\$ 23	\$ 3	10%
Baseline Expenses (Operating*/Capital)	-21	-25	4	15%	-20	-1	-3%
Initiatives Expenses	-4	-4	0	1%	-1	-3	n/a
Net	\$ 1	-\$ 3	\$ 4	n/a	\$ 2	-\$ 1	n/a

*Excludes bad debt and depreciation

New gTLD Program – Multi-year Forecast

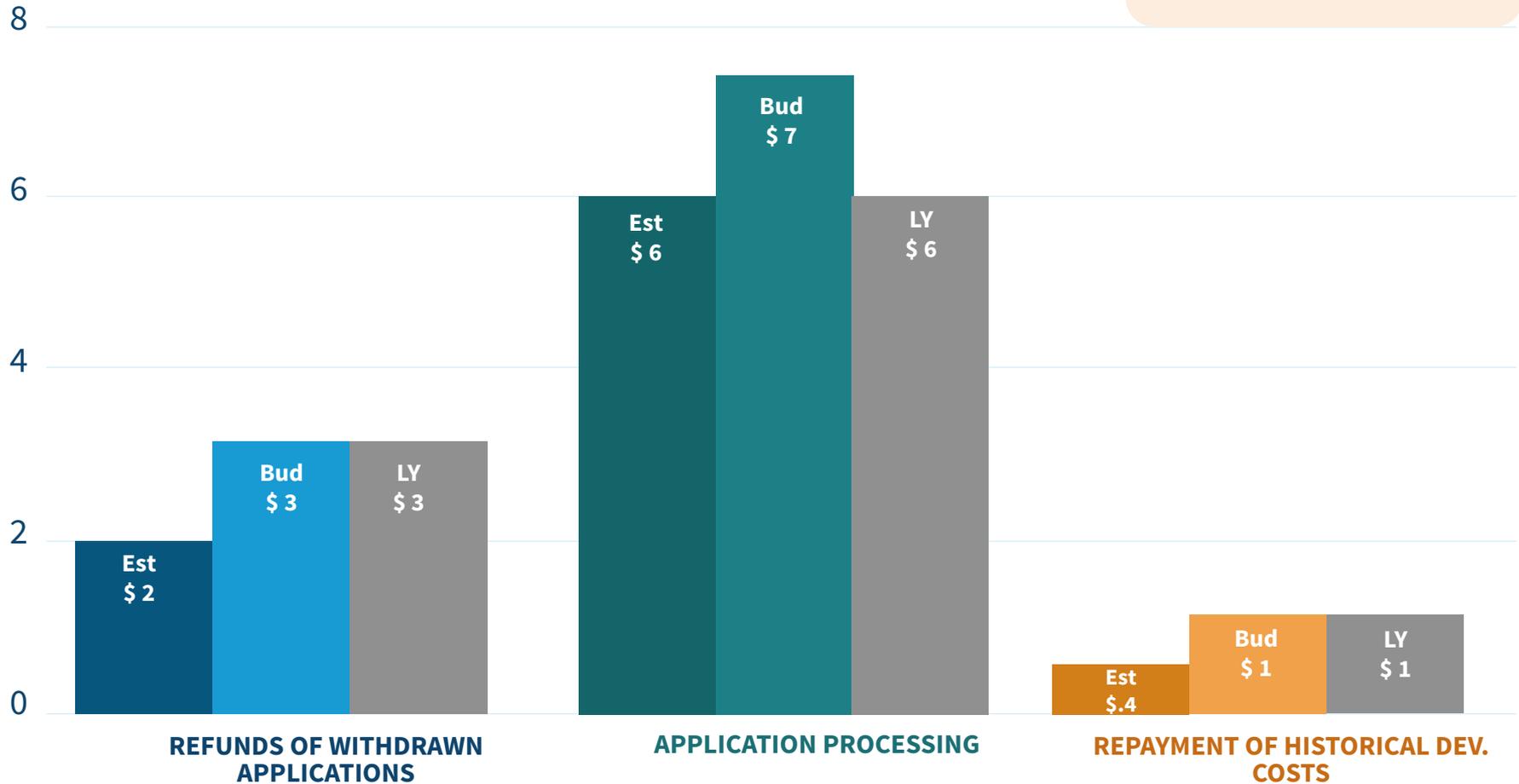
New gTLD PROGRAM



FY16 Q1 New gTLD Program Cost Estimates

New gTLD PROGRAM

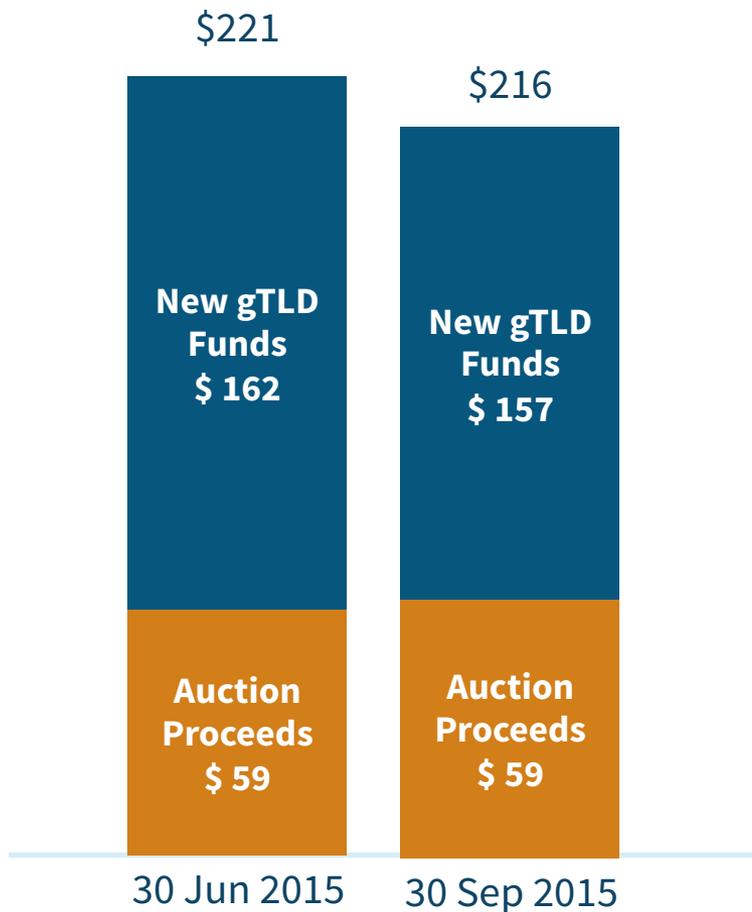
Estimate: \$ 8
Budget: \$ 12
Last Year: \$ 9



Funds Under Management Estimates

FUNDS UNDER MGMT.

New gTLD Program New gTLD funds/Auction proceeds

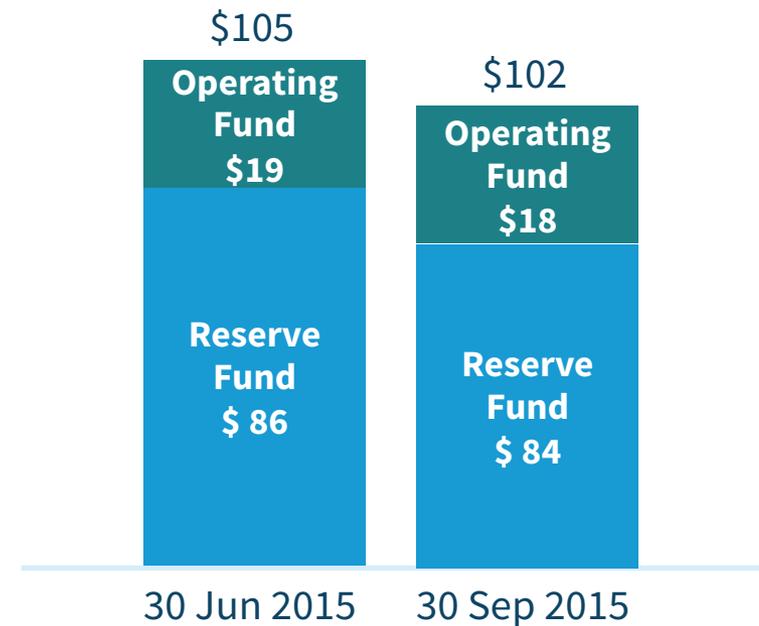


Total Funds: \$318

Program-related: \$216

ICANN Operations: \$102

ICANN Operations Operating and Reserve Funds



Thank You and Questions



SAVE THE DATE: FY16 Q2 Stakeholder Call
28 January 1500 UTC

Email: engagement@icann.org

Website: <https://www.icann.org/resources/pages/quarterly-reports-2014-11-13-en>



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slideshare.net/icannpresentations

ICANN Ops FY16 Resource Utilization Overview Q1 Estimate vs. Budget & Last Year

	Estimate	Budget	Variance		LY	Variance	
Support & Revenue	\$25.7	\$25.7	\$0.0	0%	\$23.4	\$2.3	10%
Personnel	12.4	13.3	0.9	7%	11.3	-1.0	-9%
Travel & Meetings	1.3	2.1	0.8	38%	1.9	0.6	32%
Professional Services	2.2	4.0	1.8	45%	2.7	0.5	18%
Admin	5.0	5.0	0.0	0%	4.3	-0.7	-16%
Baseline Operating Expenses	\$20.9	\$24.4	\$3.5	14%	\$20.2	-\$0.6	-3%
Less: Bad debt and depreciation	-1.6	-1.7	-0.1	6%	-1.5	0.1	-7%
Add: Capital	1.6	1.8	0.2	12%	1.5	-0.1	-6%
Cash from change in Net Assets	\$4.8	\$1.2	\$3.6	305%	\$3.1	\$1.7	55%
Initiatives	3.6	3.6	0.0	1%	0.9	-2.7	-317%
Contribution to Reserve Fund	\$1.2	-\$2.4	\$3.7	-152%	\$2.2	-\$1.0	-44%