



FY15 Q4 Stakeholder Call

20 August 2015 | For quarter ending 30 June 2015

Agenda

- ⦿ **President's Overview (10 min)** - Fadi Chehadé
- ⦿ **Policy Update (10 min)** – David Olive & Adiel Akplogan
- ⦿ **Management Update (15 min)** – David Conrad
- ⦿ **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 and lines, resembling a neural network or a data visualization. The background is a solid dark blue color.

President's Overview

Fadi Chehadé, President and CEO

Overview

- ⦿ Fourth Quarterly Stakeholder Call of FY15

Topics:

- Beta Dashboard launch
- 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



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

FY15 BY THE NUMBERS

679 TLDs delegated

540 Registry
Agreements signed

Progressing on globalizing functions:

- EMEA 90%
- APAC 70%
- LAC & NA 100%



- ⦿ [FY16 Operating Plan and Budget](#) approved
- ⦿ FY15 financials: revenue as planned at \$102m; operating expenses under revenue at \$100m
- ⦿ Globalization: Expanded Singapore hub with longer lease; progress made on globalizing ICANN functions; globalized Customer Support Center
- ⦿ Cyber Security continues to harden
 - ⦿ Leidos annual security audit completed in June 2015
- ⦿ Conducted organization-wide FY15 EFQM internal assessment; developed and executing improvement plans

Contractual Compliance

CONTRACTUAL COMPLIANCE AUDIT

5 Registrars received a Notice of Termination during Year 3 audit

11 New RA audit reports with initial findings were sent, remediation phase is in progress

- ⦿ 3rd year of Contractual Compliance Three-Year Audit Program completed with 96% compliance
- ⦿ New Registry Agreement Audit completed the Audit Phase and is now in Remediation Phase
- ⦿ On-boarded four new standing panelists for the Public Interest Commitment Dispute Resolution (PICDRP)
- ⦿ Ongoing outreach efforts with registrars and various community constituencies regarding the WHOIS ARS program and the abuse report handling requirements under Section 3.18 of the 2013 RAA

MORE INFORMATION

<https://www.icann.org/resources/pages/compliance-reports-2015-01-30-en>

IANA Stewardship Transition / Accountability



How to Submit a Public Comment

ICG IANA Stewardship Transition Proposal:

Comment by **8 September 2015**. Comments can be submitted in 2 ways:

1. By using the online form: <https://comments.ianacg.org/form>
2. By sending an email to public-comments@ianacg.org

CCWG-Accountability Work Stream 1 Draft Recommendations:

Comment by **12 September 2015**. Comments can be submitted by:

1. By sending an email to comments-ccwg-accountability-03aug15@icann.org

Provide a short or long statement with your opinion on a given proposal, proposal elements, working methods/process and/or transition as a whole.



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- 33 participants in FY15 (ICANN51 & 53)
- ⦿ Fellowship Program – 140 fellows total in FY15
 - ⦿ ICANN54 received a record 446 applications, and 50 individuals were selected
- ⦿ ICANN Learn- approx. 1,200 active users per month
<http://learn.icann.org>

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
 - Inaugural Council Meeting held 30 June, São Paulo
 - Communique:
<https://www.netmundial.org/blog/secretariat/s%C3%A3o-paulo-communiqu%C3%A9-inaugural-council-meeting>



Policy Update

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

Generic Names Supporting Org. (GNSO)

Q4 HIGHLIGHTS

8 motions adopted

14 Policy Development processes underway

47 GNSO sessions held at ICANN52

MORE INFORMATION

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

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

New areas of work in Q4

- ⦿ New gTLD Subsequent Rounds
- ⦿ New ICANN Meeting Strategy
- ⦿ Review of procedures for seconding and amendments to motions

Completed work in Q4

- ⦿ Translation & Transliteration of Contact Information (adopted by GNSO Council)
- ⦿ GNSO Policy & Implementation (adopted by GNSO Council)
- ⦿ CWG-Stewardship Final Transition Proposal (adopted by the GNSO Council)
- ⦿ Input to FY16 ICANN Budget

Country-Code Names Supporting Org. (ccNSO)

Q4 HIGHLIGHTS

5 cross-community
working groups
(chartering organization)

9 ccNSO working groups

12 Council decisions

2 standing Council
committees

30+ sessions at ICANN 53

- ◉ Focus on IANA Stewardship Transition and ICANN Accountability: ccNSO Council supports submission CWG-Stewardship Final Transition Proposal to ICG
- ◉ Input into FY16 ICANN Ops Plan and Budget (SOPWG)
- ◉ Appointment of 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 process to create oversight and guidance committee for security incident response email list

MORE INFORMATION

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

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

Internet Engineering Task Force (IETF)



Internet Engineering Task Force (IETF)

- ⦿ Develops and maintains standards for technologies used to provide Internet service or to provide services over the Internet
- ⦿ Increased involvement in “hackathons” where protocols are being implemented real-time
- ⦿ Discussions on special TLDs (RFC 6761 process); larger working group was formed to help standardize a specification for describing TLDs and code points and rules for root zone
- ⦿ IANAPLAN and IAB closely reviewed ICG Proposal; focusing on interactions between IETF and other stakeholders

MORE INFORMATION

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

- ⦿ ASO AC selected Ron da Silva to serve on Seat 9 of ICANN Board of Directors; term starts at the conclusion of ICANN's annual meeting in October 2015
- ⦿ John Sweeting appointed to ASO AC to replace Ron da Silva's position (ARIN's region)
- ⦿ Around 30 proposals in various states of discussions through the five RIR policy development processes. Topics include: ASN (2), DNS (1), IPv4 (9), IPv6 (4), PDP (1), Region of Use (3), Transfer (10)
- ⦿ ARIN IPv4 space currently running out. 0.00238 /8 (as of 17 August)

MORE INFORMATION

For more information about RIR Mailing list and policy development participation go to: <https://www.nro.net/policies>

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

- ⦿ A Second draft of RIR-ICANN SLA currently published and open for public comments until August 31st <https://www.nro.net/sla>
- ⦿ All SLA processes and discussions documented at <https://www.nro.net/iana-oversightposition> (ARIN's region)
- ⦿ The RIRs have setup a Joint RIR Stability fund. Amount pledged over \$2.1m <https://www.nro.net/news/joint-rir-stability-fund-established>

Upcoming RIR Policy Meetings

APNIC 40 - Jakarta, Indonesia 3-10 September
LACNIC 24 - Bogota, Colombia 28 September - 2 October
ARIN 36 - Montreal, Canada 8-9 October
RIPE 71 - Bucharest, Romania 16-20 November
AFRINIC 23 - Brazzaville, Congo 21-27 November

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

David Conrad, Chief Technology
Officer

Executive Summary

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

Information Technology Update

WHY IT'S IMPORTANT

As stewards of information critical to the Internet community, we recognize the importance of being alert and vigilant at all times, which is a significant part of ICANN's role.

- ⦿ IT security - Leidos – scored 140 of 200
 - ⦿  20% since 2014
- ⦿ IT Services Catalogue – 84 digital services
- ⦿ IT security – Cigital services – “Find it, Fix it”

Internet Technology Update

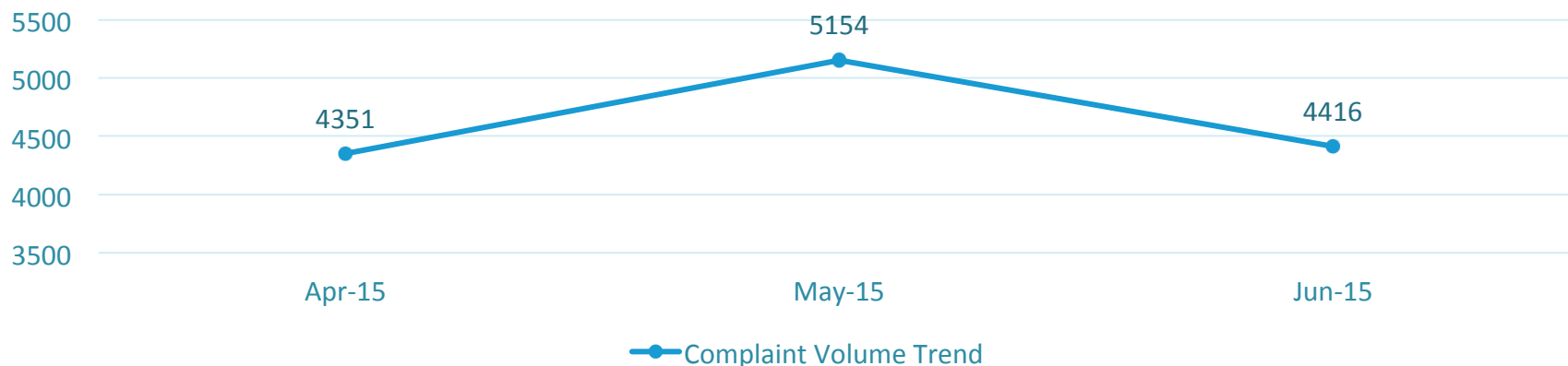
WHY IT'S IMPORTANT

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.

- ⦿ Strengthened Internet technology focus and established Technology executive team
- ⦿ Plan for changing the DNS Root Zone key
 - ⦿ [Public comment](#) commenced 6 August
- ⦿ Technology roadmap to help prepare ICANN for evolution of Internet identifier technologies

Contractual Compliance Metrics

Complaint Volume



FY15 trend: Resolved 99% of complaints in under 12 days.

Total Volume	Apr-15	May-15	Jun-15	Q4 Total
Total New	4,351	5,154	4,416	13,921
Total Closed	3,585	4,451	4,567	12,603

Closure Rates	Apr-15	May-15	Jun-15	Q4 Average
New Tickets	55%	49%	45%	50%
All Tickets [Target >= 55%]	64%	62%	64%	63%

Turnaround Time (days)	Apr-15	May-15	Jun-15	Q4 Average
Received-to-Closed	9.4	11.7	13.9	11.7

GDD: New gTLD Program

101

Strings delegated
in FY15 Q4

679 total*

123

Registry Agreements
signed in FY15 Q4

995 total*

204

Contention sets resolved
of initial 233

- Vast majority have “self-resolved”
- 13 sets resolved via ICANN auction

US\$ 59M

Auction proceeds
to date (net)

- Segregated from ICANN’s budget
- Community to be consulted on use

- ⦿ New gTLD Program Reviews - work completed:
 - ⦿ First Global Consumer Study on Domain Name System.
 - ⦿ Public comment on draft Rights Protection Mechanisms review.

*as of 30 June 2015

MORE INFORMATION

<http://newgtlds.icann.org>

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.

- ⦿ Internationalized Domain Name Top-level Domain (IDN TLD) Program
 - ⦿ Arabic and Armenian script communities completed proposals for Label Generation Rules
 - ⦿ Six scripts added in FY15 Q4 update of Maximal Starting Repertoire (Armenian, Ethiopic, Khmer, Myanmar, Thaana, Tibetan)
- ⦿ IDN country-code Top-level Domain (ccTLD) Process
 - 47 IDN ccTLD labels successfully evaluated for 37 countries and territories
 - Greece most recently announced

MORE INFORMATION

<https://www.icann.org/resources/pages/idn-2012-02-25-en>

GDD: Universal Acceptance Update

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.

- ⦿ Universal Acceptance Steering Group leadership seated and charter established.
- ⦿ Executive briefing paper produced – includes what “Universal Acceptance-ready” looks like.
- ⦿ Email address internationalization identified as biggest challenge to achieving success.

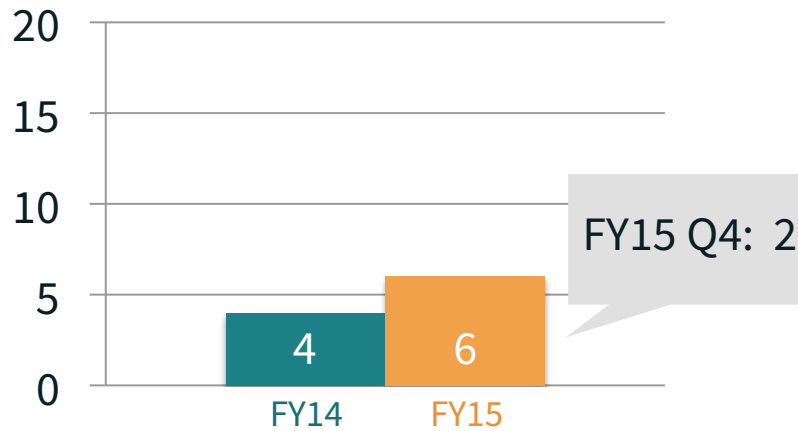
MORE INFORMATION

<https://community.icann.org/display/TUA/TLD+Universal+Acceptance+Home>

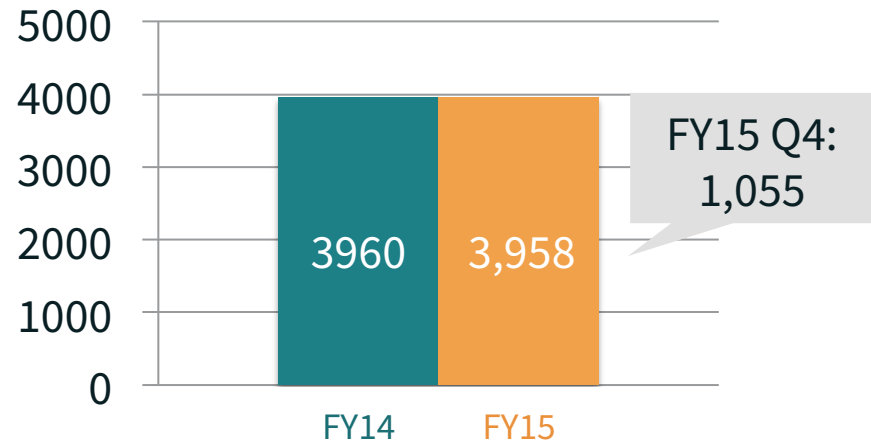
<https://www.icann.org/universalacceptance>

GDD: IANA Tickets – Year on Year

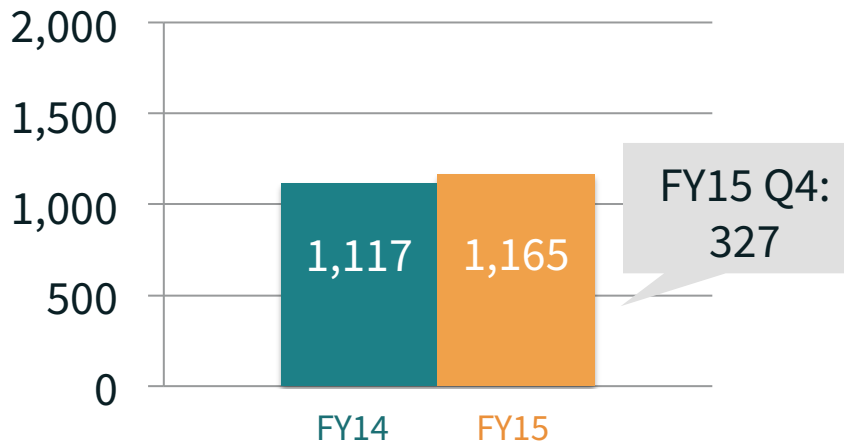
Number Events



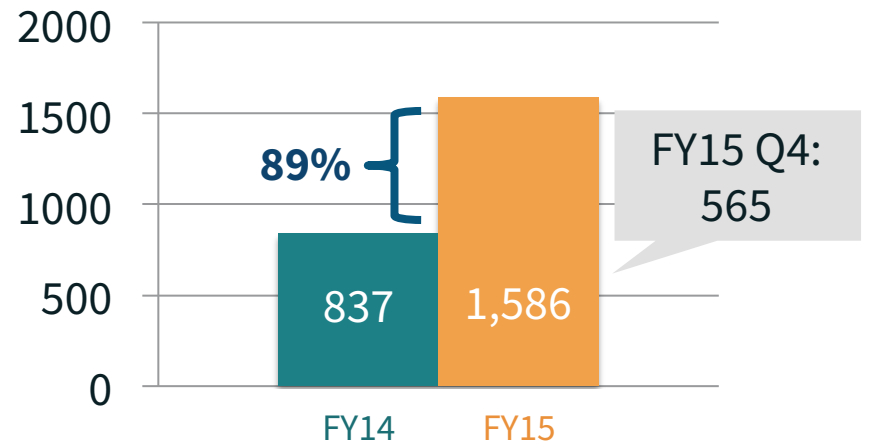
Protocol Parameter Requests



General Requests



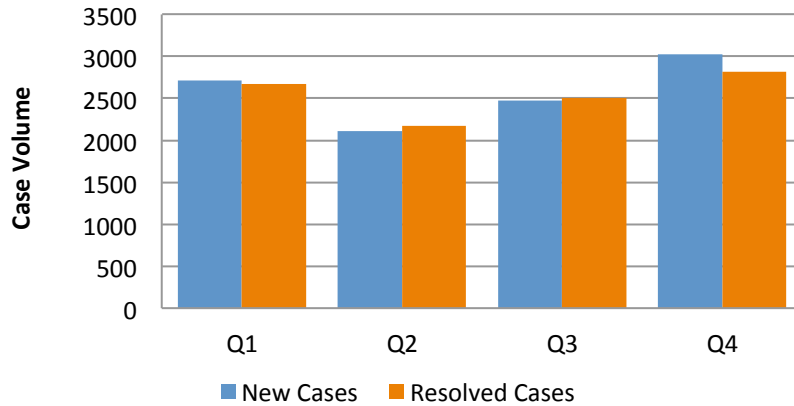
Name Requests



GDD: Global Customer Support Tickets

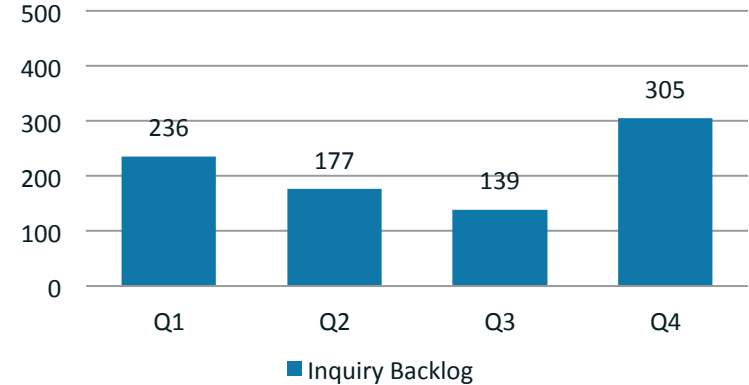
Case Volume Trending

Cases Created & Resolved



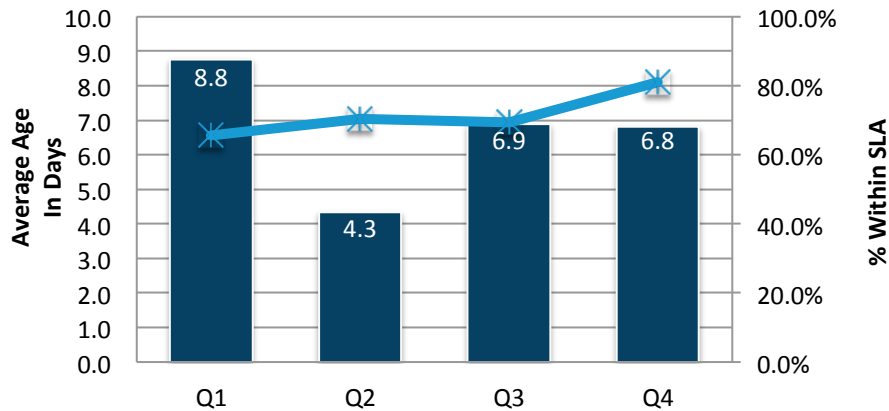
Case Backlog

Quarter End Volume Trending



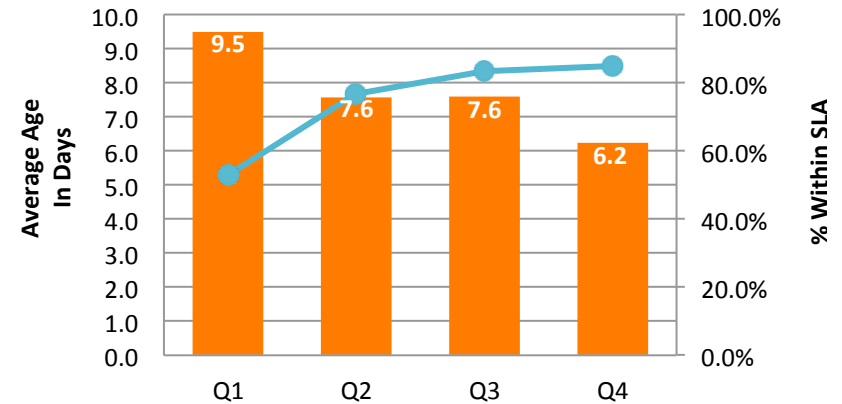
Status Frequency

Communication & Updates



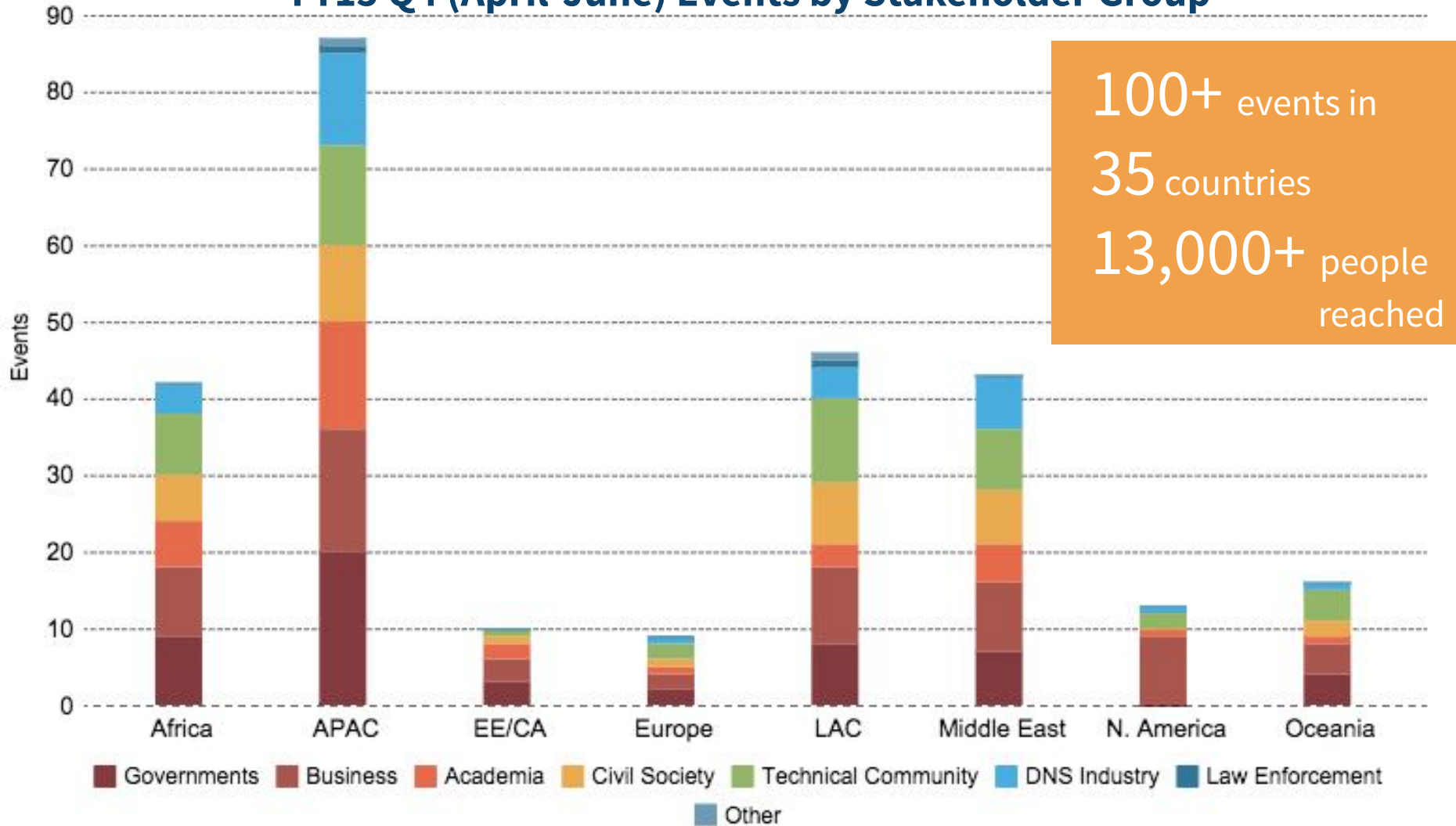
Resolution Time Target

Case Aging



Stakeholder Engagement and Outreach

FY15 Q4 (April-June) Events by Stakeholder Group



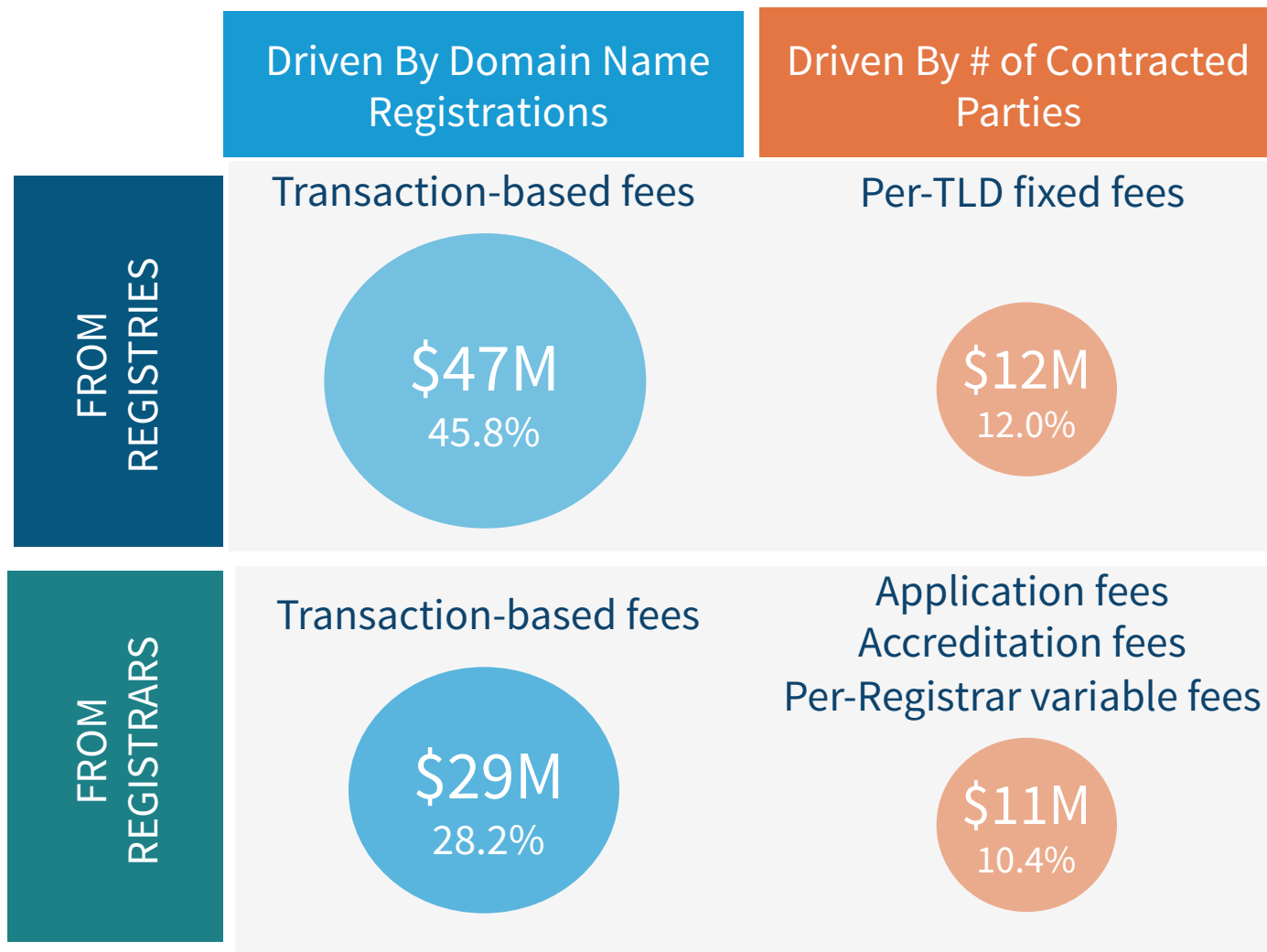
MORE INFORMATION: <https://community.icann.org/category/gse>

A world map where the continents are defined by a network of white dots and connecting lines, set against a dark blue background. The dots vary in size, and the lines are thin and white, creating a digital or network-like appearance of the globe.

Financial Update

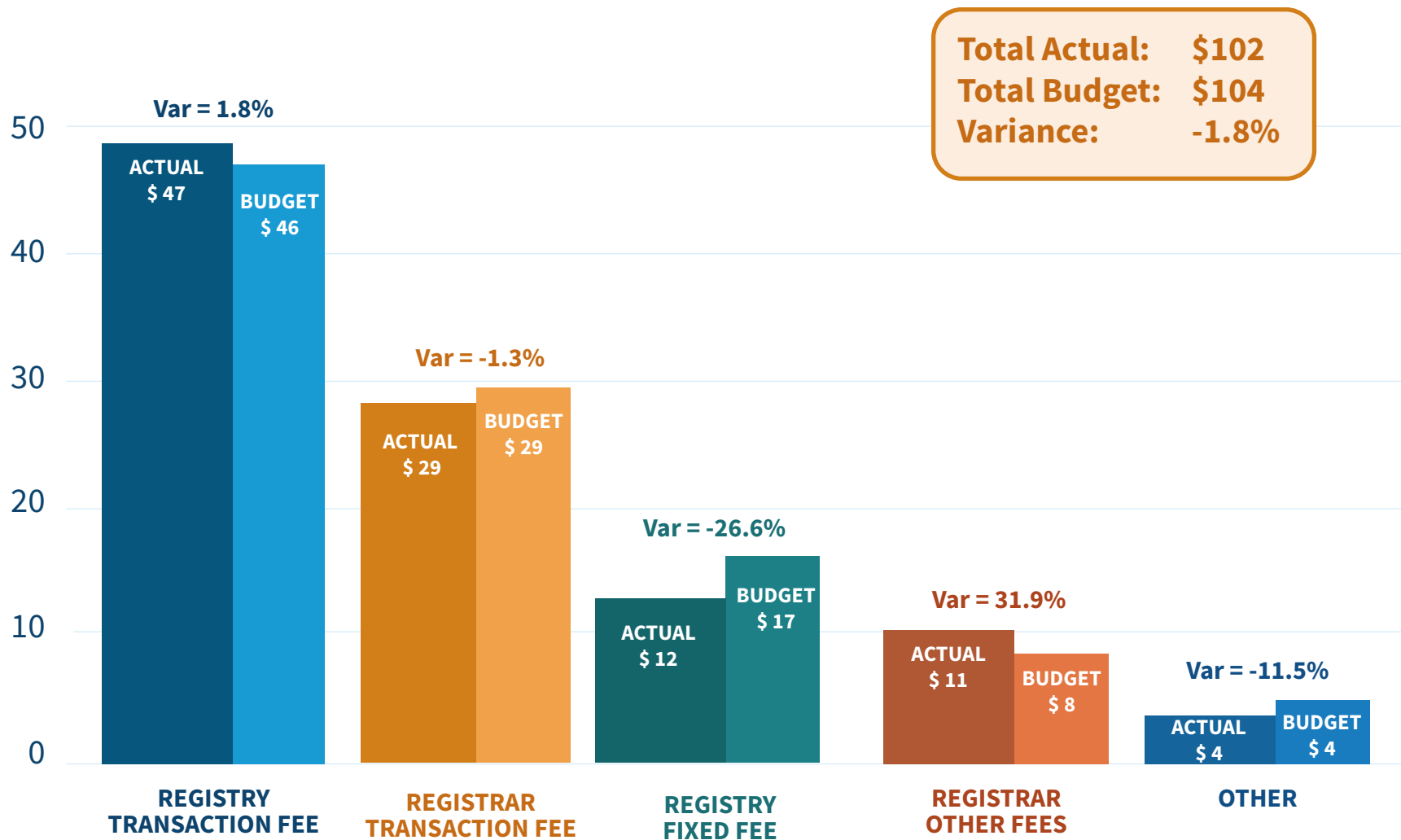
Xavier Calvez, CFO

FY15 Revenue (ICANN Ops)

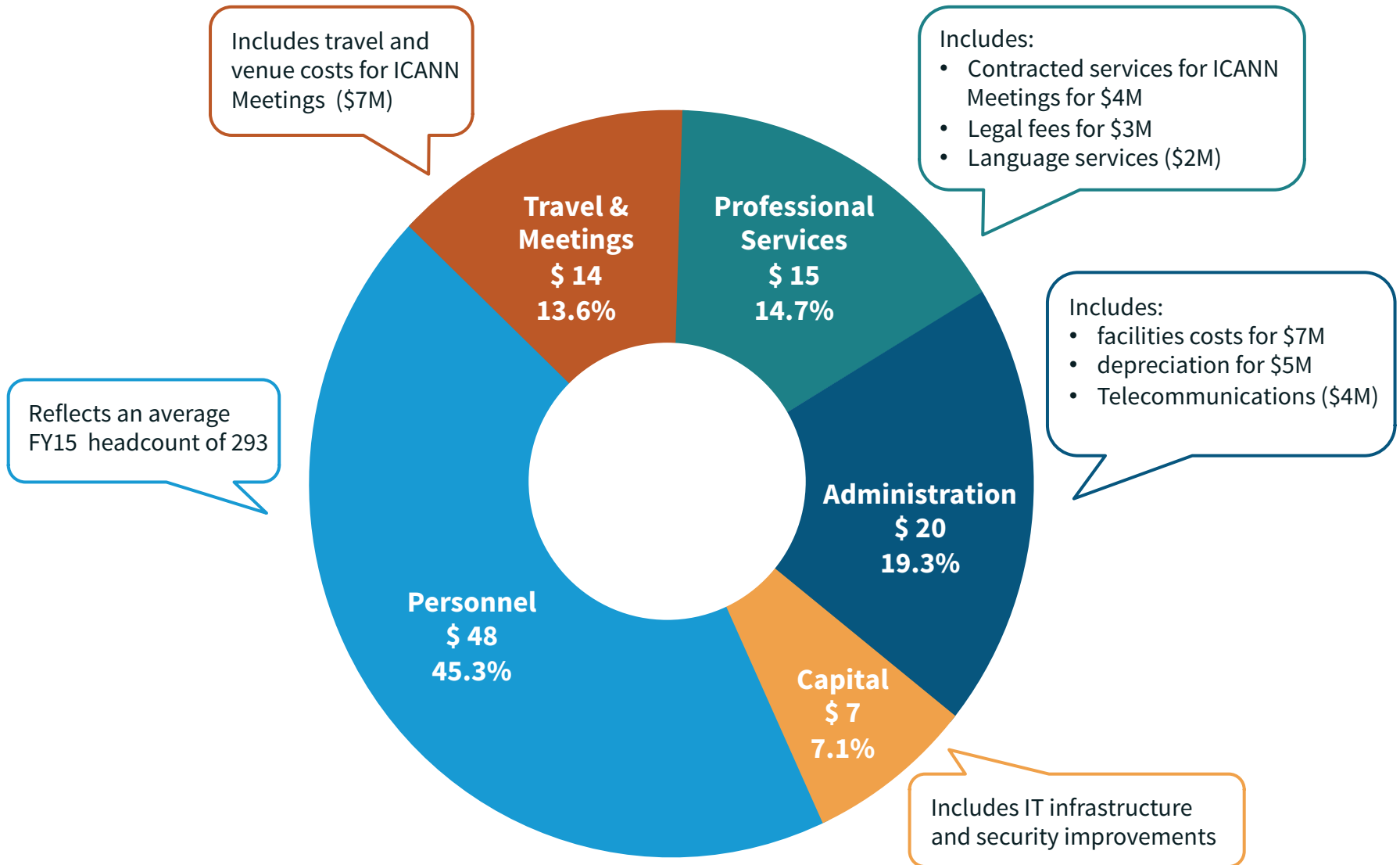


Total revenue including other income (3.6%): \$102M

FY15 Revenue (ICANN Ops) – Actual vs Budget

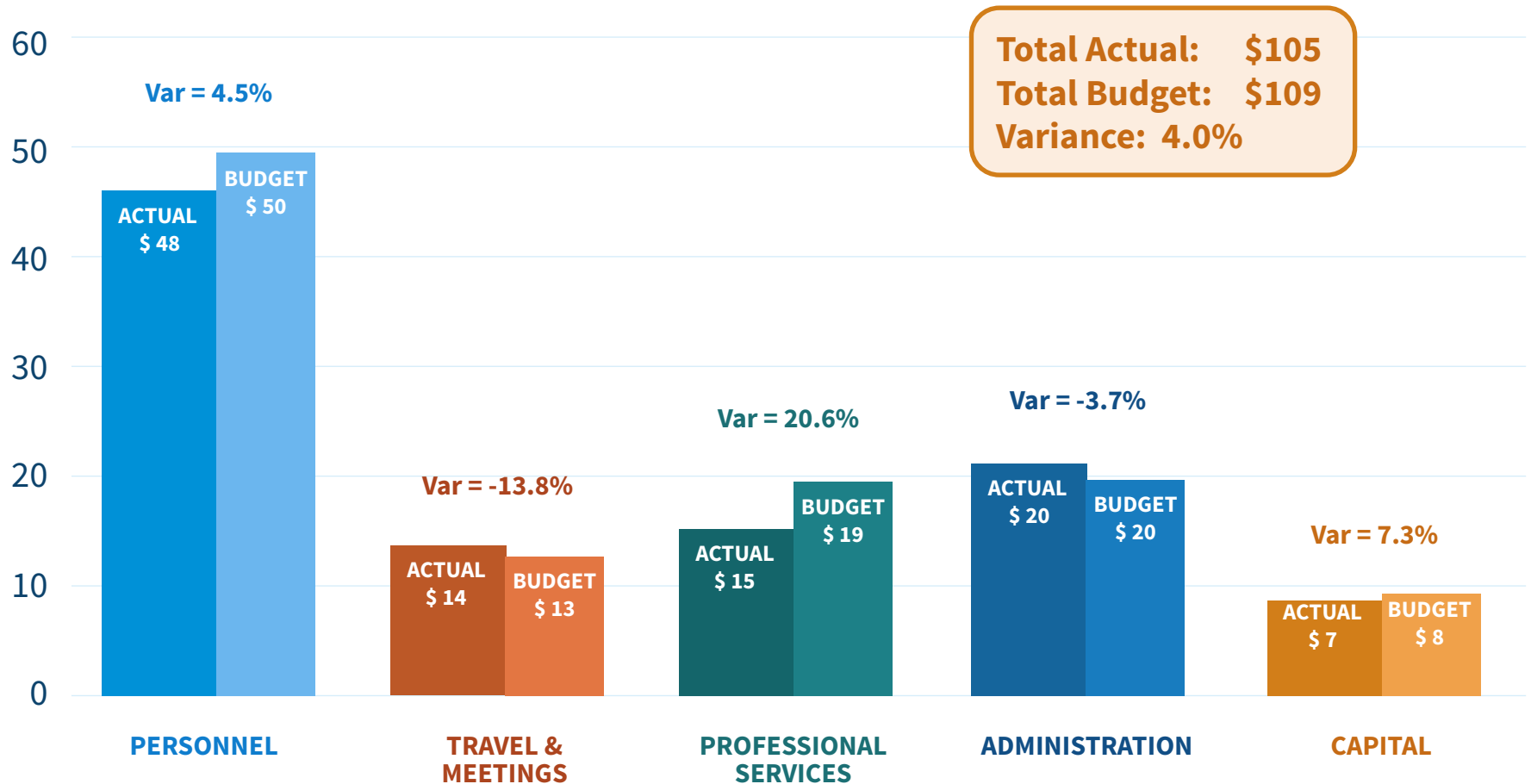


FY15 Baseline Operating Expenses (ICANN Ops)



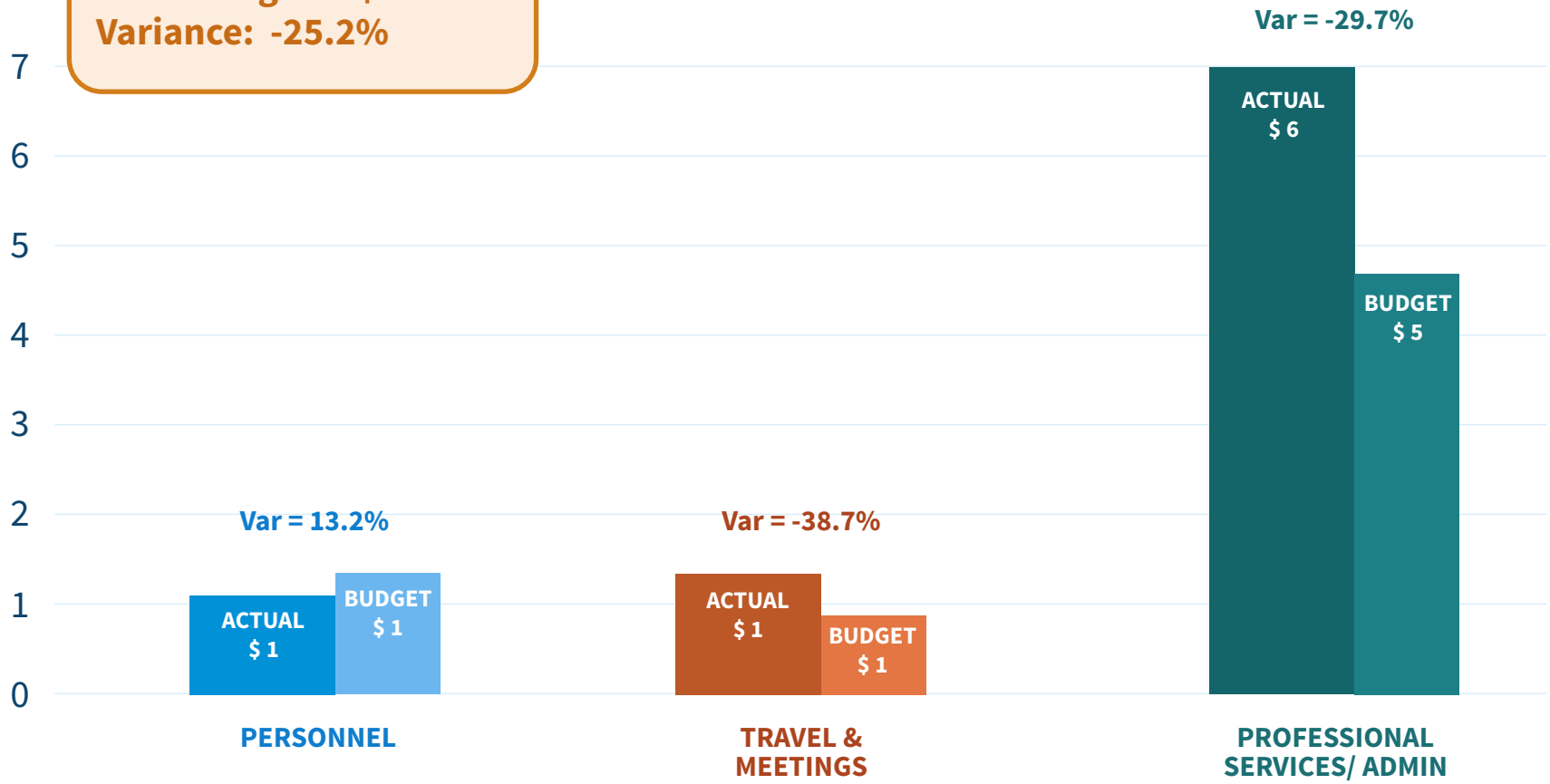
FY15 Baseline Operating Expenses (ICANN Ops) – Actual vs Budget

Careful management of expenses and timing differences of projects vs. plan.



FY15 IANA Stewardship Transition Costs (ICANN Ops)

Total Actual: \$9
Total Budget: \$7
Variance: -25.2%



FY15 Resource Utilization Overview (ICANN Ops)

Cost savings offset lower revenue and initiatives overspend

	Actual	Budget	Variance	% Var
Revenues	\$ 102	\$ 104	-\$ 2	-2%
Baseline Expenses (Operating*/Capital)	-\$ 100	-\$ 104	\$ 4	4%
Initiatives Expenses	-\$ 9	-\$ 7	-\$ 2	-24%
Net	-\$ 7	-\$ 7	\$ 0	

*excludes depreciation expense

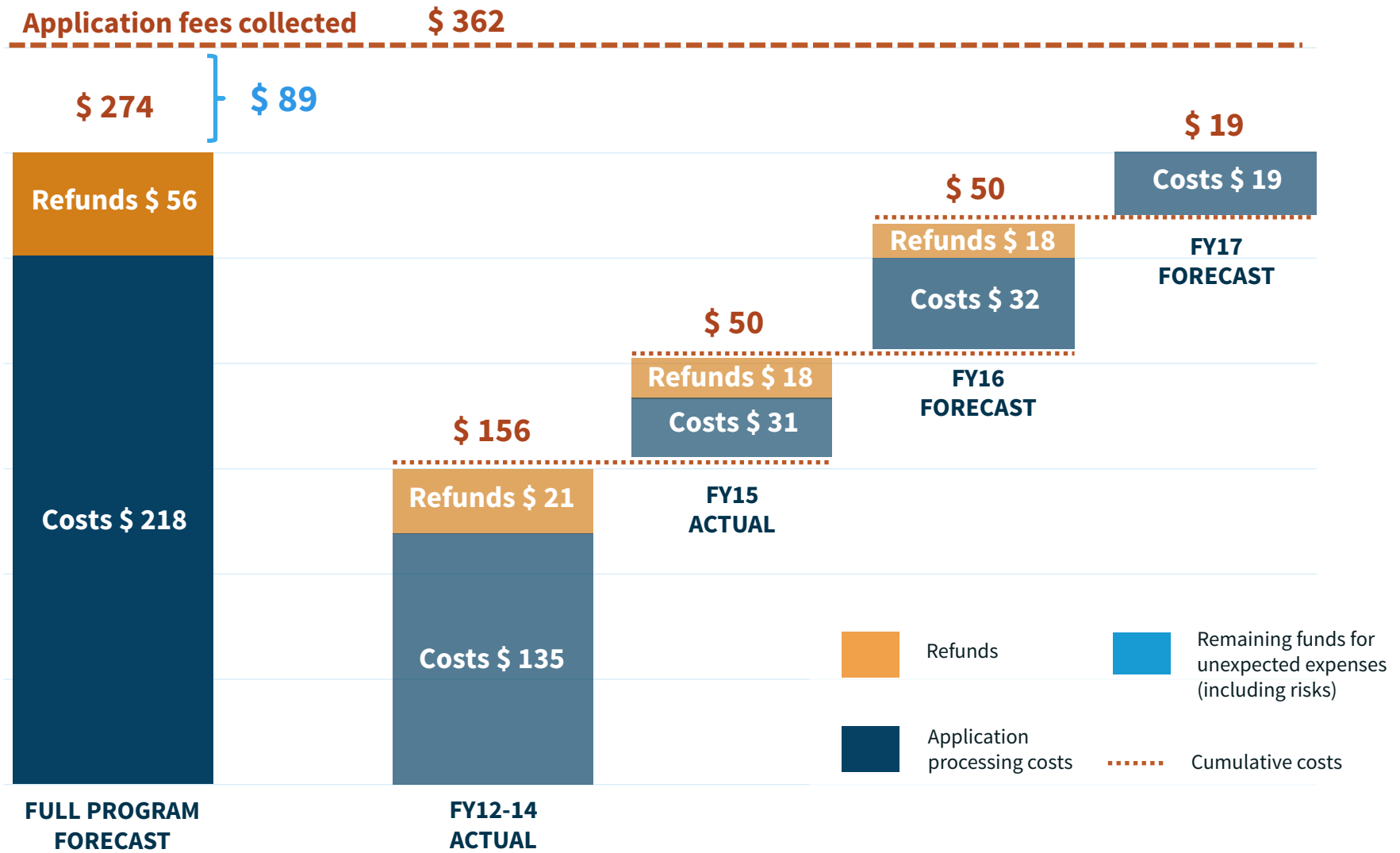
FY16 Resource Utilization (ICANN Ops)

FY16 approved budget, aligned to Operating Plan, published on ICANN.org

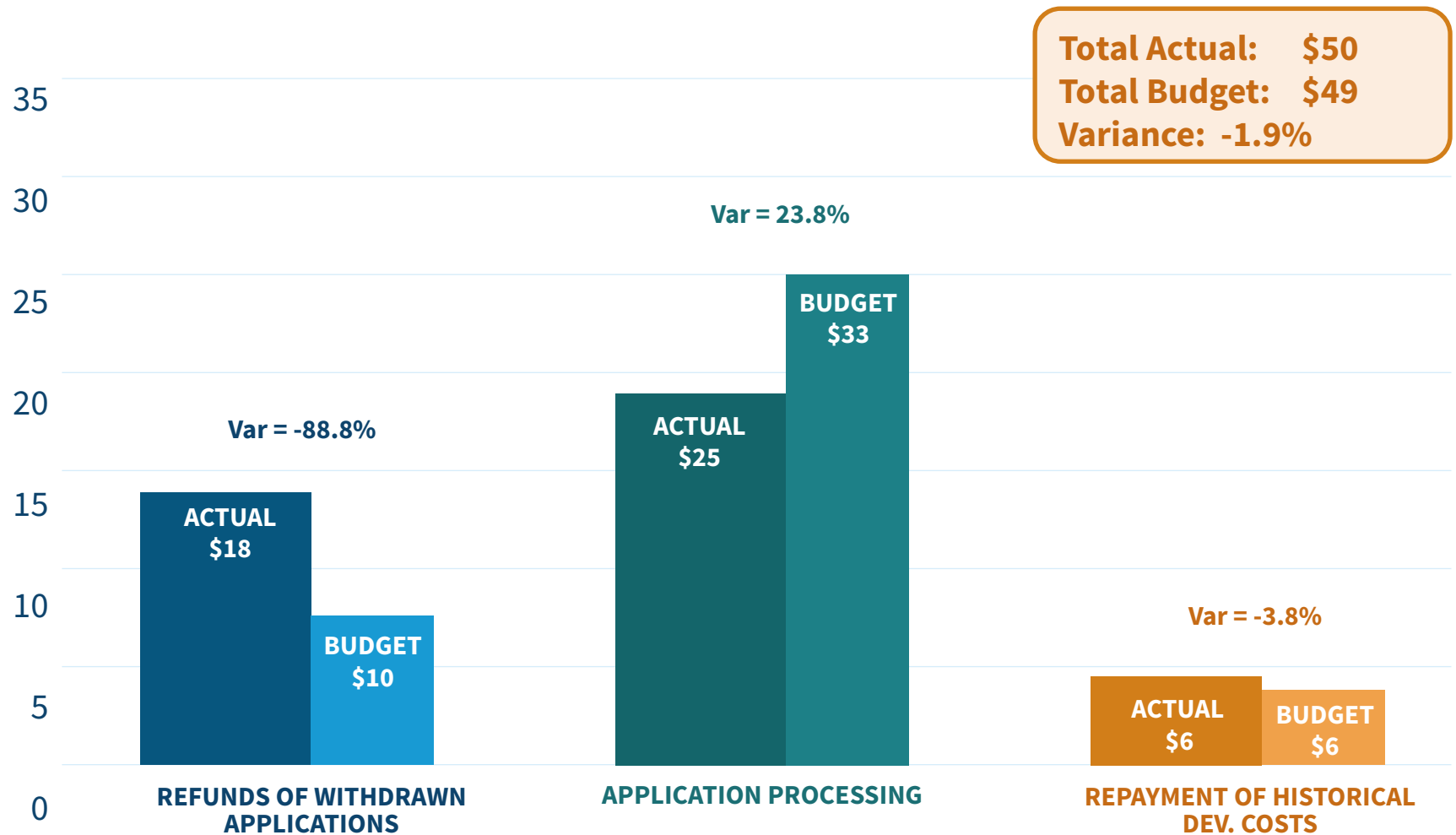
	FY16 Budget	FY15 Actual	Variance	% Var
Revenues	\$ 113	\$ 102	\$ 11	10.8%
Baseline Expenses (Operating*/Capital)	-\$ 113	-\$ 100	-\$ 13	13%
Initiatives Expenses	-\$ 12	-\$ 9	-\$ 3	-39.7%
Net	-\$ 12	-\$ 7	-\$ 5	

*excludes depreciation expense

New gTLD Program – Multi-year Forecast

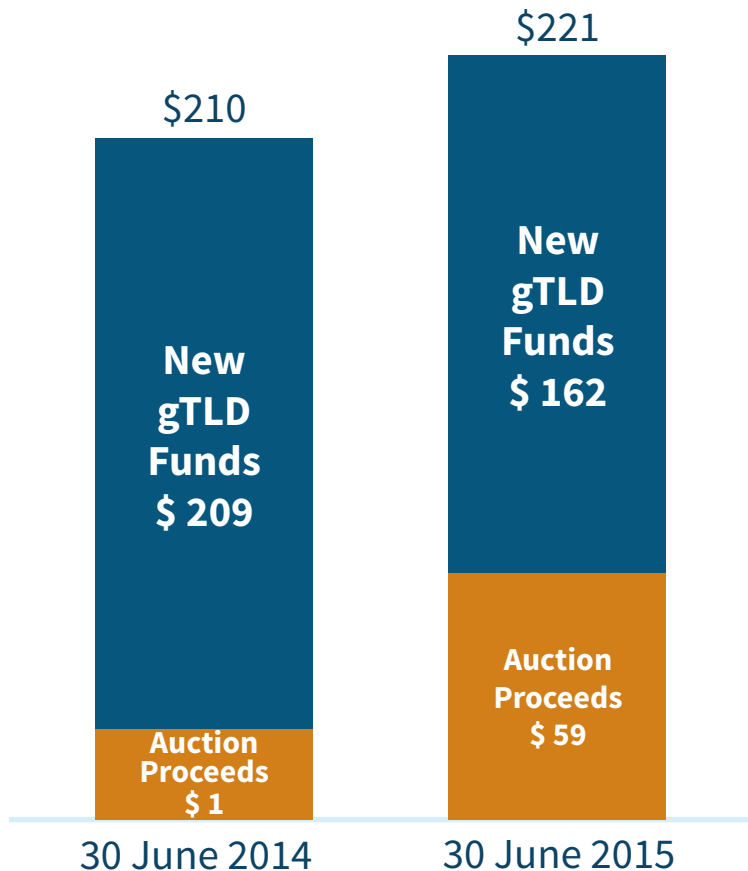


FY15 New gTLD Program costs - Actual vs. Budget



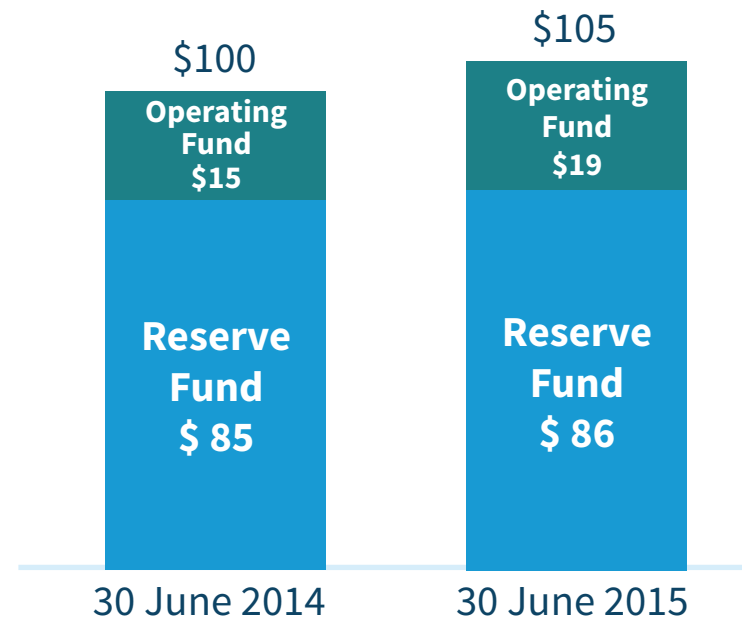
Funds Under Management

New gTLD Program New gTLD funds/Auction proceeds



Total Funds: \$326
Program-related: \$221
ICANN Operations: \$105

ICANN Ops Operating and reserve funds



Thank You and Questions



SAVE THE DATE: FY16 Q1 Stakeholder Call
6 October 00:00 UTC / 7 October 0800 SGT

Email: engagement@icann.org

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



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