

ICANN BOARD PAPER NO. 2017.11.02.1b

TITLE: SSAC Member Appointments
PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

According to Article 12.2(b) of the ICANN Bylaws, the ICANN Board of Directors shall appoint the Chair and the members of the Security and Stability Advisory Committee (SSAC). The three-year term for Patrik Fältström as SSAC Chair ends on 31 December 2017. Patrik has decided not to stand for a further term of office. The SSAC has completed its process of selecting a Chair and requests that the Board appoint Rod Rasmussen as SSAC Chair for a three-year term to begin on 01 January 2018. In addition, although the Board does not appoint the Vice-Chair of the SSAC, it is noted that the three-year term for Jim Galvin as SSAC Vice-Chair ends on 31 December 2017. Jim has decided not to stand for a further term of office. The SSAC has completed its process of selecting Julie Hammer as Vice-Chair. She will begin her three-year term on 01 January 2018.

In addition, one of the recommendations arising out of the organizational review of the SSAC is for SSAC membership appointments to be for a term of three years renewable by the Board at the recommendation of the SSAC indefinitely, and that the terms be staggered to allow for the terms of one-third of the SSAC members to expire at the end of every year. On 05 August 2010 the ICANN Board approved Bylaws revisions that created three-year terms for SSAC members and assigned initial one-, two-, and three-year terms to all SSAC members. Each year the SSAC Membership Committee evaluates those members whose terms are ending in the calendar year, in this case 31 December 2017. The Membership Committee submitted its recommendations for member reappointments to the SSAC, which approved the reappointments of the following SSAC members: Greg Aaron, Benedict Addis, Don Blumenthal, Lyman Chapin, KC Claffy, Geoff Huston, Russ Mundy, Rod Rasmussen, and Mark Seiden.

Finally, the Chair of the SSAC respectfully requests the appointment of Bobby Flaim as a new Committee member.

COMMITTEE RECOMMENDATION:

The Committee desires the appointment of Rod Rasmussen as Chair of the SSAC.

The Committee recommends the Board appoint the SSAC members as identified in the proposed resolution.

PROPOSED RESOLUTION:

Whereas, Article 12.2(b) of the Bylaws states that the Board shall appoint the Chair and the members of the Security and Stability Advisory Committee (SSAC).

Whereas, the three-year term for Patrik Fältström as SSAC Chair ends on 31 December 2017.

Whereas, Patrik Fältström has decided not to stand for a further term of office.

Whereas, the SSAC has completed its process of selecting a Chair and requests that the Board appoint Rod Rasmussen as SSAC Chair for a three-year term to begin on 01 January 2018.

Whereas, the Board, at Resolution 2010.08.05.07 approved Bylaws revisions that created three-year terms for SSAC members, required staggering of terms, and obligated the SSAC Chair to recommend the reappointment of all current SSAC members to full or partial terms to implement the Bylaws revisions.

Whereas, in January 2017 the SSAC Membership Committee initiated an annual review of SSAC members whose terms are ending 31 December 2017 and submitted to the SSAC its recommendations for reappointments in September 2017.

Whereas, on 25 September 2017, the SSAC members approved the reappointments.

Whereas, the SSAC recommends that the Board reappoint the following SSAC members to three-year terms: Greg Aaron, Benedict Addis, Don Blumenthal, Lyman Chapin, KC Claffy, Geoff Huston, Russ Mundy, Rod Rasmussen, and Mark Seiden.

Whereas, the SSAC Membership Committee, on behalf of the SSAC, requests that the Board should appoint Bobby Flaim to the SSAC for a three-year term beginning immediately upon approval of the Board and ending on 31 December 2020.

Resolved (2017.11.02.xx) the Board accepts the recommendation of the SSAC and appoints Rod Rasmussen as Chair of the SSAC for a three-year term beginning on 01 January 2017 and ending on 31 December 2020 and extends its best wishes to Rod Rasmussen and Julie Hammer in their important new roles.

Resolved (2017.11.02.xx) the Board accepts the recommendation of the SSAC and reappoints the following SSAC members to three-year terms beginning 01 January 2018 and ending 31 December 2020: Greg Aaron, Benedict Addis, Don Blumenthal, Lyman Chapin, KC Claffy, Geoff Huston, Russ Mundy, Rod Rasmussen, and Mark Seiden.

Resolved (2017.11.02.xx) that the Board appoints Bobby Flaim to the SSAC for a three-year term beginning immediately upon approval of the Board and ending on 31 December 2020.

PROPOSED RATIONALE:

According to Article 12.2(b) of the ICANN Bylaws, the ICANN Board of Directors shall appoint the Chair and the members of the Security and Stability Advisory Committee (SSAC). The SSAC has completed its selection process for the role of Chair and requests Board consideration of the appointment of Rod Rasmussen as the SSAC Chair.

The SSAC is a diverse group of individuals whose expertise in specific subject matters enables the SSAC to fulfill its charter and execute its mission. Since its inception, the SSAC has invited individuals with deep knowledge and experience in technical and security areas that are critical to the security and stability of the Internet's naming and address allocation systems.

The SSAC's continued operation as a competent body is dependent on the accumulation of talented subject matter experts who have consented to volunteer their time and energies to the execution of the SSAC mission.

Bobby Flaim is well known for his tenure with the US Federal Bureau of Investigation (FBI). He has been a member of the GAC and the Public Safety Working Group (PSWG). He has been actively working to reduce abuse and crime related to the DNS. Earlier this year, Bobby Flaim left government employment and assumed a role in Amazon Web Services Security. The SSAC believes that Bobby Flaim will bring important skills and breadth of experience to the Committee.

ICANN's mission is to ensure the stable and secure operation of the Internet's unique identifier systems, and the appointment of SSAC members assists in fulfilling this mission. This Board action is in the public interest as it contributes to the commitment of the ICANN organization to strengthen the security, stability, and resiliency of the DNS.

Submitted by: Ram Mohan
Position: Liaison to the ICANN Board from the Security & Stability
Advisory Committee
Date Noted: 09 October 2017
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ICANN BOARD PAPER NO. 2017.11.02.1c

TITLE: **Outsource Service Provider Contract Extension**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

In November 2014, the ICANN Board approved a request from ICANN organization to engage an expert, third party outsourcing firm to augment IT capacity. That led to a three-year contract with Zensar, based in Pune, India. The Board authorised ICANN organization to enter into contract with Zensar for an annual value not to exceed REDACTED FOR NEGOTIATION PURPOSES

The Zensar contract expires in November 2017. Before renewing another multi-year contract with Zensar, ICANN organization will do due diligence and do a Request for Proposal (RFP) to seek other potential providers to augment IT capacity. In order to complete the RFP process, an extension of the current contract for a period of four months is needed. After completing a new RFP process, ICANN organization will present a recommendation on a new vendor contract to the Board for approval.

ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE

RECOMMENDATION:

The ICANN organization and the Board Finance Committee recommend that the Board authorize the President and CEO, or his designee(s), to take all necessary actions to extend the Zensar contract, and make all necessary disbursements pursuant to the contract, for an additional four months to allow for a full RFP process to be completed for potential providers to help augment IT capacity.

PROPOSED RESOLUTION:

Whereas, Engineering and Information Technology has a need for continued third-party development, quality assurance and content management support to augment IT capacity.

Whereas, there is a need to complete a full Request for Proposal process prior entering into a new contract needed to augment IT capacity.

Whereas, Zensar has provided good services in software engineering, quality assurance and content management over the last 30+ months.

Whereas, additional time is needed to complete the necessary RFP process.

Resolved (2107.11.02.xx), the Board authorizes the President and CEO, or his designee(s), to extend the existing Zensar contract, on the same terms, for a period not to exceed four months, at a cost not to exceed REDACTED FOR NEGOTIATION PURPOSES

Resolved (2017.11.02.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article III, section 5.2 of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

PROPOSED RATIONALE:

ICANN's Engineering & IT departments have used Zensar to support all development, quality assurance and content management needs since November 2014. This relationship has been beneficial to ICANN and overall has been a success.

The current three-year contract expires in November 2017. To do full due diligence and ensure that ICANN is using the optimal provider for future needs, the Board agrees that ICANN should perform a new Request for Proposal (RFP) with a small number of outsource providers. While this process has already started, ICANN organization needs additional time to adequately complete the RFP process.

Zensar is currently in the process of setting up an onshore facility in a low-cost area. This is expected to be activated by Q1 2018. This facility may be useful to ICANN in augmenting the offshore resources while containing costs. Delaying the renewal of or issuance of a new contract will allow ICANN organization to evaluate this option.

Performing a RFP will also provide ICANN leverage as it negotiates new rates with Zensar should the organization decide to continue working with Zensar.

Taking this step is in the public interest to ensure that ICANN organization is utilizing

the right third party providers, and to ensure that it is maximizing available resources in a cost efficient and effective manner. Accordingly, taking this decision is also consistent with ICANN's mission, as this action will help ensure that ICANN organization has the appropriate support to fulfil numerous aspects of its mission.

This action will have a fiscal impact on the organization, but that impact has already been anticipated and is covered in the FY18 budget. This action will not impact the security, stability and resiliency of the domain name system.

This decision is an Organizational administrative function for which public comment is not required.

Signature Block:

Submitted by:	Ashwin Rangan & Xavier Calvez
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Date Noted:	17 October 2017
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ICANN BOARD SUBMISSION No. 2017.11.02.1d

TITLE: **June 2019 ICANN Policy Forum Venue Contracting**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

The Board is being asked to authorize ICANN organization to take all steps necessary to complete contracting for the host venue in Marrakech, Morocco for the June 2019 ICANN Policy Forum, which requires Board approval as it will exceed US\$500,000. The Reference Materials for this paper summarizes the steps taken to locate a site for the June 2019 Policy Forum, and outlines the facility costs.

As adopted in the November 2016, modifications to ICANN's Delegation of Authority Guidelines, it is the responsibility of the ICANN President and CEO, and Senior Management, to identify and select sites for ICANN's Public Meetings and Policy Forums within the budget and meetings strategy approved by the Board.

ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE (BFC)

RECOMMENDATION:

The ICANN organization and the BFC recommend that the Board authorize the President and CEO, or his designee(s), to take all actions necessary to enter into a contract, and make expense disbursements pursuant to that contract, for the host venue in Marrakech, Morocco, where ICANN organization will hold its June 2019 Policy Forum.

PROPOSED RESOLUTION:

Whereas, ICANN organization intends to hold its June 2019 Policy Forum in the Africa region.

Whereas, ICANN organization has completed a thorough review of the proposed venues in Africa and finds the one in Marrakech, Morocco to be the most suitable.

Resolved (2017.11.02.xx), the Board authorizes the President and CEO, or his designee(s), to engage in and facilitate all necessary contracting and disbursements for

the host venue for the June 2019 ICANN Policy Forum in Marrakech, Morocco, in an amount not to exceed REDACTED FOR NEGOTIATION PURPOSES

Resolved (2017.11.02.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article III, section 5.2 of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

PROPOSED RATIONALE:

As part of ICANN’s Public Meeting and Policy Forum schedule, presently three times a year, ICANN hosts a meeting in a different geographic region (as defined in the ICANN Bylaws). ICANN65, scheduled for 24-27 June 2019, is to occur in the Africa geographic region. A call for recommendations for the location of the meeting in Africa was posted on 15 July 2016. Various parties sent proposals to ICANN.

ICANN organization performed a thorough analysis of the proposals, as well as other venues, and prepared a paper to identify those that met the Meeting Location Selection Criteria (see <http://meetings.icann.org/location-selection-criteria>). Based on the proposals and analysis, ICANN has identified Marrakech, Morocco as the location for ICANN65.

The Board reviewed ICANN organization’s briefing for hosting the meeting in Marrakech, Morocco and the determination that the proposal met the significant factors of the Meeting Location Selection Criteria, as well as the related costs for the facilities selected, for the June 2019 ICANN Policy Forum.

Taking this action is in the public interest, as conducting Public Meetings and Policy Forums is fully consistent with, and in support of, ICANN’s mission, commitments and core values, as it allows all interested parties to come together and create policy as a multistakeholder organization.

There will be a financial impact on ICANN in hosting the meeting and providing travel support as necessary, as well as on the community in incurring costs to travel to the meeting. But such impact would be faced regardless of the location and venue of the

meeting. This action will have no impact on the security, stability or resiliency of the domain name system.

The Board thanks all who recommended sites for ICANN65.

This is an Organizational Administrative function that does not require public comment.

Submitted by:	Nick Tomasso
Position:	VP, Meetings
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ICANN BOARD PAPER NO. 2017.11.02.1e

TITLE: SSAC Advisory on the Use of Emoji in Domain Names
PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

On 25 May 2017, the ICANN Security and Stability Advisory Committee (SSAC) published SAC 095: Advisory on the Use of Emoji in Domain Names. In this advisory, the SSAC studied the suitability for emoji to be used as part of a domain name. Based on its analysis, the SSAC recommends that the ICANN Board reject any TLD that includes emoji. In addition, the SSAC strongly discourages the registration of any domain name that includes emoji in any of its labels.

Based on the review of SAC 095, the current technical standards (IDNA2008), and relevant ICANN contracts, agreements and best practices; it is recommended that the Board resolve to:

- 1) Direct that conformance to IDNA2008 and its successor will continue to be a necessary condition to determine valid IDN TLD labels.
- 2) Request that the ccNSO and gNSO engage with the SSAC to more fully understand the risks and consequences of using a domain name that includes emoji in any of its labels and inform their respective communities about these risks;
- 3) Request that the ccNSO and gNSO to integrate conformance with IDNA2008 and its successor into their relevant policies so as to safeguard security, stability, resiliency and interoperability of domain names; and
- 4) Direct the ICANN CEO or his designee to engage with gTLD and ccTLD communities on the findings and recommendations of SAC095.

PROPOSED RESOLUTION:

Whereas, on 25 May 2017, the ICANN Security and Stability Advisory Committee (SSAC) published SAC 095: Advisory on the Use of Emoji in Domain Names.

Whereas, the SSAC report noted that emoji are disallowed by the current technical standards for Internationalized Domain Names(IDNs); that many emoji are visually similar causing difficulty in distinguishing them with additional confusability created by their composition and modification; and that their use can exacerbate the existing universal acceptance challenges.

Whereas, the SSAC report concluded that emoji should not be included in TLD labels and strongly discouraged the registration of any domain name that includes emoji in any of its labels.

Whereas, the use of IDNs in a way that adheres to relevant standards and promotes security by reducing confusability is a topic of importance to ICANN and the global Internet community.

RESOLVED (2017.11.02), the Board hereby directs that conformance to IDNA2008 and its successor will continue to be a necessary condition to determine valid IDN TLD labels.

RESOLVED (2017.11.02), the Board requests that the ccNSO and gNSO engage with the SSAC to more fully understand the risks and consequences of using a domain name that includes emoji in any of its labels, and inform their respective communities about these risks;

RESOLVED (2017.11.02), the Board requests that the ccNSO and gNSO integrate conformance with IDNA2008 and its successor into their relevant policies so as to safeguard security, stability, resiliency and interoperability of domain names;

RESOLVED (2017.11.02), the Board directs the ICANN CEO or his designee to engage with gTLD and ccTLD communities on findings and recommendations of SAC095.

PROPOSED RATIONALE:

There has been community interest in the use of emoji in domain names and some country code Top Level Domains (ccTLDs) allow domain names with emoji to be registered at the second level, and several registrars accept labels with emoji for registrations in other TLDs. The SSAC has analyzed the use of emoji for domain names and published the findings in the SAC 095

advisory as a response to this analysis. Based on their findings, the SSAC recommends not allowing the use of emoji in TLDs, and discourages their use in a domain name in any of its labels. The SSAC also advises registrants of domain names with emoji that such domains may not function consistently or may not be universally accessible.

The board has acknowledged the advice and confirmed its understanding of the SSAC advice on 18 August 2017, which is noted in the Board Advice Register.¹ The Board is now at the phase of taking action on the advice.

The ICANN Board has reviewed IDNA 2008 (RFCs 5890-5893) and the SAC 095 advisory published by the SSAC as a background for the current resolution. The Board notes that the emoji are disallowed by IDNA2008. The Board notes the discussion in the advisory that though humans can use emoji while communicating, even with the confusability associated with use of emoji, these characters are not be suitable for the exact-match system like the DNS. Their use in domain names can create security problems for end-users. Furthermore, adding emoji to domain name labels will worsen the universal acceptance of IDNs and may reduce acceptability of non-ASCII labels, perceived as being confusing or insecure.

IDNA 2008 is the relevant standard for defining valid IDN labels. SSAC's recommendation is based on the fact that emoji, being categorized as symbols by the Unicode standard, are systematically disallowed by the IDNA2008. Further, emoji are not designed to be visually uniform or visually distinguishable. As a result, a user can be exposed to problems of confusability because code points seem visually the same or too similar. In addition, a user can also face accessibility problems, due to inconsistent rendering. This confusability in using emoji in domain name labels is further increased because emoji modification and composition allows for a potentially much larger set with even greater rendering variation and potential for ambiguous interpretation. As an example, the following shades may be difficult to reliably distinguish by users in small sizes and across multiple platforms:

¹ See <https://www.icann.org/en/system/files/files/board-advice-status-report-pdf-30sep17-en.pdf>.



Given these considerations, the Board first directs that conformance to IDNA2008 and its successor will continue to be a necessary condition to determine valid IDN TLD labels.

The Board recognizes that mandating labels beyond the top level is out of the policy remit of the ccNSO. However, in this case the ccNSO could play a role in promoting the use of standards developed by the technical community at the Internet Engineering Task Force (IETF) for the secure, stable and interoperable use of Internet identifiers, similar to what it did in the case of discouraging the use of wildcards. Thus, the Board requests that the ccNSO and gNSO engage with the SSAC to more fully understand the risks and consequences of using a domain name that includes emoji in any of its labels, and inform their respective communities about these risks. Furthermore, the Board requests that the ccNSO and gNSO integrate conformance with IDNA2008 and its successor into their relevant policies so as to safeguard security, stability, resiliency and interoperability of domain names.

Finally, the Board recognizes that ICANN organization should engage with gTLD and ccTLD communities on the findings and recommendations of SAC095.

ICANN's mission is to ensure the stable and secure operation of the Internet's unique identifier systems, and addressing advice from the SSAC assists in fulfilling this mission. Taking this action is in the public interest as it contributes to the commitment of the ICANN organization to strengthen the security, stability, and resiliency of the DNS.

There will be limited fiscal impact, as the resolution will be disseminated to the relevant stakeholders through the existing channels like the Global Stakeholder Engagement (GSE) team.

Signature Block:

Submitted by: Steve Sheng and Sarmad Hussain

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Support, IDN Programs Director

Date Noted: 16 October 2017

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ICANN BOARD PAPER NO. 2017.11.02.1f

TITLE: **Revised Board Committee and Leadership Selection Procedures**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

As part of its responsibilities, the Board Governance Committee (BGC) is tasked with “[c]reating and recommending to the full Board for approval a slate of nominees for Board Chair, Board Vice Chair, and chairmanship and membership of each Board Committee, including filling any vacancies which may occur in these positions during the year.” ([BGC Charter](#), § II.C.) In this capacity, the BGC evaluated the Board Committee and Leadership Selection Procedures (Procedures), which was previously revised by the Board on 26 June 2009, and is recommending that the Procedures be revised to align with current selection practices. The revised Procedures document is attached as Attachment A to the Reference Materials.

BOARD GOVERNANCE COMMITTEE RECOMMENDATION:

The BGC recommends that the Board adopt the proposed revision to the Board Committee and Leadership Selection Procedures document attached as Attachment A to the Reference Materials.

PROPOSED RESOLUTIONS:

Whereas, the Board Committee and Leadership Selection Procedures document was previously updated and approved by the Board on 26 June 2009.

Whereas, the Board Governance Committee has reviewed and revised the previously adopted Board Committee and Leadership Selection Procedures.

Resolved (2017.11.02.xx), the revised Board Committee and Leadership Selection Procedures are approved.

PROPOSED RATIONALE:

As part of its responsibilities, the BGC is tasked with “[c]reating and recommending to the full Board for approval a slate of nominees for Board Chair, Board Vice Chair, and chairmanship and membership of each Board Committee, including filling any vacancies which may occur in these positions during the year.” ([BGC Charter](#), § II.C.)

In this role, the BGC recommended, and the Board agrees, that Board approve revisions to the Board Committee and Leadership Selection Procedures, which was previously updated by the Board on 26 June 2009, to align with current selection practices.

The action is consistent with ICANN’s mission and is in the public interest as it is important to ensure that procedures for Board Committee and leadership selection are up to date and reflect current practices. This decision will have no direct fiscal impact on the organization and no impact on the security, stability or resiliency of the domain name system.

Submitted By: Amy A. Stathos
Date: 13 December 2017
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ICANN BOARD PAPER NO. 2017.11.02.1g

TITLE: Revisions to Board Committee Charters as Part of Process to Standardize Committee Charters

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

As part of its responsibilities, the Board Governance Committee (BGC) is tasked with "periodically review[ing] the charters of the Board Committees, including its own charter and work with the members of the Board Committees to develop recommendations to the Board for any charter adjustments deemed advisable." ([BGC Charter, § II.C.2.](#))

Accordingly, the Board is being asked to review and adopt the BGC's recommendations set forth below.

BOARD GOVERNANCE COMMITTEE RECOMMENDATIONS:

The BGC recommends that the Board approve amendments to the charters of the following Board Committees: Audit Committee (attached as Attachment A to the Reference Materials), Compensation Committee (attached as Attachment B to the Reference Materials), Executive Committee (attached as Attachment C to the Reference Materials), Finance Committee (attached as Attachment D to the Reference Materials), Governance Committee (attached as Attachment E to the Reference Materials), Organizational Effectiveness Committee (attached as Attachment F to the Reference Materials), and Risk Committee (attached as Attachment G to the Reference Materials).

PROPOSED RESOLUTION:

Whereas, the Board Governance Committee (BGC) is tasked with "periodically review[ing] the charters of the Board Committees, including its own charter and work with the members of the Board Committees to develop recommendations to the Board for any charter adjustments deemed advisable." ([BGC Charter, § II.C.2.](#))

Whereas, the BGC has recommended that Board approve revisions to various sections of the charters of the Audit Committee, the Compensation Committee, the Executive

Committee, the Finance Committee, the Governance Committee, the Organizational Effectiveness Committee and Risk Committee.

Resolved (2017.11.02.xx), the Board hereby adopts the revised Charter of the Board Audit Committee.

Comment [A1]: Insert link to pdf

Resolved (2017.11.02.xx), the Board hereby adopts the revised Charter of the Board Compensation Committee.

Comment [A2]: Insert link to pdf

Resolved (2017.11.02.xx), the Board hereby adopts the revised Charter of the Board Executive Committee.

Comment [A3]: Insert link to pdf

Resolved (2017.11.02.xx), the Board hereby adopts the revised Charter of the Board Finance Committee.

Comment [A4]: Insert link to pdf

Resolved (2017.11.02.xx), the Board hereby adopts the revised Charter of the Board Governance Committee.

Comment [A5]: Insert link to pdf

Resolved (2017.11.02.xx), the Board hereby adopts the revised Charter of the Board Organizational Effectiveness Committee.

Comment [A6]: Insert link to pdf

Resolved (2017.11.02.xx), the Board hereby adopts the revised Charter of the Board Risk Committee.

Comment [A7]: Insert link to pdf

PROPOSED RATIONALE:

The Board is addressing this matter to ensure committee charters are up-to-date and reflect the most current needs of the organization, in accordance with governance requirements and best practices.

As part of its responsibilities, the BGC is tasked with "periodically review[ing] the charters of the Board Committees, including its own charter and work with the members of the Board Committees to develop recommendations to the Board for any charter adjustments deemed advisable." ([BGC Charter, § II.C.2.](#)) In this role, the BGC recommended, and the Board agrees, that Board approve revisions to the Committee charters of the as part of the process of standardizing certain provisions of Board Committee charters.

The BGC further recommended, and the Board agrees, that the Board approve revisions to the Purpose and Responsibilities sections of the Board Risk Committee (BRC) charter to clarify the BRC's role as the committee responsible for the assessment and oversight of policies implemented by ICANN designed to manage ICANN's risk profile.

The BGC further recommended, and the Board agrees, that the Board approve the proposed amendment to the Scope of Responsibilities sections of the BGC charter to further clarify its role in coordinating Board priorities and their associated deliverables, and monitors progress against the set priorities.

This action is consistent with ICANN's Mission and is in the public interest as it is important to ensure that the Board has the necessary Committees, properly tasked with responsibilities, to ensure oversight over the ICANN organization, as the Board deems appropriate. There will be no direct fiscal impact or adverse ramifications on ICANN's strategic and operating plans from the proposed changes to the charters.

There are no security, stability or resiliency issues relating to the DNS as the result of this action.

This decision is an Organizational Administrative Function that does not require public comment.

Submitted By: Amy A. Stathos
Date: 13 December 2017
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Deleted: 13 December 2017 19 October 2017

ICANN BOARD SUBMISSION No. 2017.11.02.2b

TITLE: Net Asset Excess Transfer Approval

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

The Board is being asked to approve a net asset excess allocation transfer from the Operating Fund to the Reserve Fund for FY17.

The Operating Fund includes the amount of funding needed for ICANN's day-to-day operations. Over the past 2 fiscal years, ICANN generated cash excesses which reside in the Operating Fund at the end of FY17. The ICANN Investment Policy states that the Operating Fund should be at a level of funds to cover a minimum of three months of ICANN organization's operating expenses, and that any amount determined to be in excess can be transferred to the Reserve Fund.

The size of the Operating Fund was evaluated at the end of FY17 and ICANN Organization is recommending to transfer US\$ 5 million to the Reserve Fund.

ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE

RECOMMENDATION:

Both the organization and the BFC recommend that the Board authorize the President and CEO, or his designee(s), to transfer US\$5,000,000 from the Operating Fund to the Reserve Fund.

PROPOSED RESOLUTION:

Whereas, the Operating Fund includes the funds used for ICANN's day-to-day operations and must contain enough funds to cover at a minimum ICANN's expected expenditures for three months.

Whereas, periodically, any funds considered to be in excess should be transferred to the Reserve Fund.

Whereas, ICANN organization has performed an analysis of the required levels of the Operating Funds and has determined that the balance of the Operating Fund as of 30 June 2017, based on the Audited Financial Statements, contained excess funds.

Resolved (2017.11.02.xx), the Board authorizes the President and CEO, or his designee(s), to transfer US\$5,000,000 from the Operating Fund to the Reserve Fund.

PROPOSED RATIONALE:

As part of ICANN's investment policy, the Operating Fund at a level of funds to cover a minimum of three months of ICANN organization's operating expenses, and that any amount determined to be in excess can be transferred to the Reserve Fund.

The ICANN Organization has evaluated the Operating Fund at the end of FY17 on the basis of its Audited Financial Statements, and has determined that excess funds of US\$5,000,000 should be transferred to the Reserve Fund.

This action is in the public interest and consistent with ICANN's mission, as it is important to ensure stability of ICANN organization in the way of a robust Reserve Fund in case use of a Reserve Fund becomes necessary, which in turn would help ICANN fulfil its mission.

This action will not have a financial impact on ICANN, and will not have any impact on the security, stability or resiliency of the domain name system.

This decision is an Organizational Administrative function that does not require public comment.

Submitted by:	Xavier Calvez
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