Quarterly Stakeholder Call
For Quarter ending 30 September, 2014
<table>
<thead>
<tr>
<th>Duration</th>
<th>Topic</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 min</td>
<td>President’s Overview</td>
<td>Fadi Chehadé</td>
</tr>
<tr>
<td>10 min</td>
<td>Policy Update</td>
<td>David Olive</td>
</tr>
<tr>
<td>15 min</td>
<td>Management Update</td>
<td>Akram Atallah</td>
</tr>
<tr>
<td>10 min</td>
<td>Q1 Financials</td>
<td>Xavier Calvez</td>
</tr>
<tr>
<td>30 min</td>
<td>Q&amp;A</td>
<td>All</td>
</tr>
</tbody>
</table>
President’s Overview

Fadi Chehadé, President and CEO ICANN
Overview

• First Quarterly Stakeholder Call
• Goal: Provide a predictable window into ICANN’s activities and financial health
• Objective: Factual, detail-based reporting for period of 1 July to 30 September 2014
Operational Performance

Q1 ACHIEVEMENTS

- Strategic Plan completed over 17 months via 3 public comment periods
- Hired Chief Technology Officer
- ICANN grew from 290 in 25 countries to 306 staff members in 28 countries
- Adopted Strategic Plan as framework for five-year planning and one-year operating plan
- Revenues slightly higher than expected; expenses slightly lower
- Increased technical strength
- Stabilized staff growth

More information on Quarterly Report page
Contractual Compliance

Q1 ACHIEVEMENTS

SECOND YEAR AUDIT:
• 317 Registrars audited last year
• 98% in compliance by end of audit

• Created new position and appointed Chief Contract Compliance Officer with focus on working with others to help safeguard registrants and global Internet community
• Launched 3rd year of Contractual Compliance Audit Program
• Completing the first round of the New Registry Agreement on 14 TLDs

MORE INFORMATION
https://www.icann.org/resources/pages/compliance-2012-02-25-en
IANA Stewardship Transition & Accountability

KEY FACTS

- Names community proposal led by 100+ people from 41 countries
- Numbers community proposal undertaken by 5 Regional Internet Registries
- Protocol parameters led by Internet Engineering Task Force

- Global community is on track on both transition of stewardship from USG and strengthening of ICANN accountability
- This is top priority project; but our number one mission is security, stability and resiliency of Internet Domain Name System
- US Secretary of Commerce Penny Pritzker at ICANN 51 reaffirmed support for the transition and multistakeholder governance

MORE INFORMATION
https://www.icann.org/stewardship-accountability
Internet Governance

KEY FACTS

• Internet Governance Forum 2014, Istanbul, September 2014

• International Telecommunications Union Plenipotentiary 2014, Busan, October–November 2014

• NETmundial Initiative launch, November 2014

• ICANN is committed to maintain its limited remit within the global distributed Internet governance ecosystem as coordinator of technical Internet identifiers, Internet Protocol Parameters, address space and the Domain Name System

• ICANN will continue its successful coordination with the technical multistakeholder community on these issues in the global fora

• NETmundial Initiative is one way ICANN will work with other global players to strengthen the current distributed global ecosystem and evolve it as necessary to fill any identified gaps

MORE INFORMATION
www.netmundial.org
Community

Q1 ACHIEVEMENTS

• 13 public comment periods
• 39 advice statements
• 37 Board and New gTLD Program Committee resolutions
• 2 Security & Stability Advisory Committee Reports
• 1 new Country-code Names Supporting Organization member for 152 total
• 5 new Governmental Advisory Committee members for 146 total members and 31 observers

• Diverse volunteer community from around the world.

• Policy is made by:
  — PROTOCOL PARAMETERS
    Internet Engineering Task Force
  — NUMBERS
    Regional Internet Registries/Number Resource Organization/Address Supporting Organization
  — NAMES
    Country Code Names Supporting Organization, Generic Names Supporting Organization

MORE INFORMATION
https://www.icann.org/policy
Policy Development Update

David Olive, VP Policy Development Support
Coordinating Policy Development

ICANN SUPPORTING ORGANIZATIONS

- Generic Names Supporting Organization (GNSO)
- Country Code Names Supporting Organization (ccNSO)
- Address Supporting Organization (ASO)

ICANN ADVISORY COMMITTEES

- At-Large Advisory Committee (ALAC)
- Governmental Advisory Committee (GAC)
- Security & Stability Advisory Committee (SSAC)
- Root Server System Advisory Committees (RSSAC)

OTHER INTERNET POLICY / TECH ORGS.

- Internet Engineering Task Force (IETF)
- Regional Internet Registries

MORE INFORMATION
https://www.icann.org/policy
Generic Names Supporting Organization (GNSO)

Q1 HIGHLIGHTS

7 Council Resolutions passed

11 Policy Development Processes underway

61 Sessions held at ICANN 51

• New areas of work in Q1
  – Discussion group on new gTLD subsequent procedures
  – Work on IANA Stewardship Transition Proposal

• Completed work in Q1
  – Inter-Registrar Transfer Policy Part D recommendations adopted
  – Uniformity of Reporting Final Issue Report resolved and closed

MORE INFORMATION
https://www.icann.org/policy
Coordinating Policy Development

MORE INFORMATION
https://www.icann.org/policy
Country Code Names Supporting Organization (ccNSO)

Q1 HIGHLIGHTS

13 COUNCIL DECISIONS AND RESOLUTIONS

23 COMMUNITY SESSIONS HELD AT ICANN 51

152 MEMBERS ADDED .IN (INDIA)

- Focus on IANA stewardship transition and ICANN accountability
- New Working Group- Internet Governance
- Interim adoption of work on how to interpret policy for delegation and re-delegation of country-code Top Level Domains (ccTLDs); awaiting Governmental Advisory Committee (GAC) input

MORE INFORMATION
https://www.icann.org/policy
Address Supporting Organization

5 RIRs

The ASO-AC oversees the global policy development process for the creation of global Internet Number Resource policies, and delivers agreed policies to ICANN’s Board of Directors for ratification.

The ASO meets within the ICANN framework to oversee the policy development process for global Internet Number Resource policy.

The ASO appoints members to the G-RFC, the ICANN Review Teams, the NOMCOM and other ICANN bodies.

The ICANN Board approves global Internet Number Resource policies for implementation.

The ICANN RIRs operate global Internet Number Resource policies implementation.

ASO AC

RIR

5 RIRs

RIRs administer Internet Number Resources within their geographic regions, according to defined regional policies.

Regional Internet Community

Regional Policy Development

Regional Policy Process

Regional Policy Implementation

GLOSPARY

ASO AC

Address Supporting Organization Address Council

IANA

Internet Assigned Numbers Authority

ICANN

Internet Corporation for Assigned Names and Numbers

IEF

Internet Engineering Task Force

ICANN Board

Global Policy Development

Global Policy Implementation

5 RIRs

ARIN

American Registry for Internet Numbers

APNIC

Asia-Pacific Network Information Centre

AfriNIC

African Network Information Centre

LACNIC

Latin America & Caribbean Network Information Centre

RIPE

Réseaux IP Européens

GLOBAL POLICY PROCESS

GLOBAL POLICY IMPLEMENTATION

ICANN

Internet Corporation for Assigned Names and Numbers

Glossary

AfC

African Coalition

ASO AC

Address Supporting Organization Address Council

IANA

Internet Assigned Numbers Authority

ICANN

Internet Corporation for Assigned Names and Numbers

IEF

Internet Engineering Task Force

ICANN Board

Global Policy Development

Regional Policy Process

Regional Internet Community

Regional Policy Development
Responsibilities & Stakeholders

Global Domains Division

- Policy Implementation
- Community Engagement
- IANA Functions
- DNS Security, Stability and Resiliency

Stakeholders

- Registry (gTLD, ccTLD)
- Registrar
- Community
- Registrant
- End User

ICANN Corporate Infrastructure
Management Update
Akram Atallah, President, Global Domains Division
Executive Summary

- Operations report
  - Technical update
  - Business operations service tickets
  - Names & New gTLD Program
  - ICANN staff and locations

- Engagement report
  - Technical engagement and outreach
  - Spotlight on Latin America & Caribbean (LAC) region
Strengthened ICANN’s Technical Capabilities

- Chief Technology Officer appointed
- 18th Root key signing ceremony
- 150+ L-Root location nodes
- Four senior new hires in ICANN’s IT Department
- Name Collision Occurrence Management Framework published
### Business Operations Service Tickets
#### IANA Department Requests

<table>
<thead>
<tr>
<th>Category</th>
<th>Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domain related requests</td>
<td>270</td>
</tr>
<tr>
<td>Protocol related requests</td>
<td>862</td>
</tr>
<tr>
<td>Number related requests</td>
<td>3</td>
</tr>
<tr>
<td>General inquiries</td>
<td>275</td>
</tr>
</tbody>
</table>

**Total requests:** 1,410

**JULY-SEPTEMBER**

**MORE INFORMATION**

[https://www.iana.org/performance](https://www.iana.org/performance)
## Business Operations Service Tickets

**Contractual Compliance (July - Sep 2014)**

### Summary of Complaint Volume by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Domains Registered</th>
<th># Complaints</th>
<th>% Complaints per Domain Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. America</td>
<td>104.3M</td>
<td>5,439</td>
<td>.005%</td>
</tr>
<tr>
<td></td>
<td>890</td>
<td>410</td>
<td>46.1%</td>
</tr>
<tr>
<td></td>
<td>242</td>
<td>162</td>
<td>66.9%</td>
</tr>
<tr>
<td></td>
<td>104.3M</td>
<td>5,439</td>
<td>.005%</td>
</tr>
<tr>
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<th>Domains Registered</th>
<th># Complaints</th>
<th>% Complaints per Domain Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>24.3M</td>
<td>919</td>
<td>.004%</td>
</tr>
<tr>
<td></td>
<td>176</td>
<td>128</td>
<td>72.7%</td>
</tr>
<tr>
<td></td>
<td>158</td>
<td>80</td>
<td>50.6%</td>
</tr>
<tr>
<td></td>
<td>24.3M</td>
<td>919</td>
<td>.004%</td>
</tr>
<tr>
<td></td>
<td>176</td>
<td>128</td>
<td>72.7%</td>
</tr>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Domains Registered</th>
<th># Complaints</th>
<th>% Complaints per Domain Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/A/P</td>
<td>25.8M</td>
<td>2,619</td>
<td>.010%</td>
</tr>
<tr>
<td></td>
<td>194</td>
<td>149</td>
<td>76.8%</td>
</tr>
<tr>
<td></td>
<td>69</td>
<td>32</td>
<td>46.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Domains Registered</th>
<th># Complaints</th>
<th>% Complaints per Domain Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>21,452</td>
<td>3</td>
<td>.014%</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>6</td>
<td>75.0%</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### LEGEND

- **Domains Registered through Registrars in Region (as of July 2014)**
- **# registrars per region**
- **# registrars w/ Complaints**
- **% registrars with complaints per region**
- **# registries per region**
- **# registries w/ Complaints**
- **% registries with complaints per region**

**MORE INFORMATION**
[https://features.icann.org/compliance](https://features.icann.org/compliance)
Business Operations Service Tickets
Customer Service Center

CASE BACKLOG

MONTH END VOLUME TRENDING

<table>
<thead>
<tr>
<th>Month</th>
<th>Case Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>250</td>
</tr>
<tr>
<td>August</td>
<td>200</td>
</tr>
<tr>
<td>September</td>
<td>300</td>
</tr>
</tbody>
</table>

LAST RESPONSE

COMMUNICATION & UPDATES

<table>
<thead>
<tr>
<th>Month</th>
<th>Average In Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>10</td>
</tr>
<tr>
<td>August</td>
<td>12</td>
</tr>
<tr>
<td>September</td>
<td>8</td>
</tr>
</tbody>
</table>

RESOLUTION TIME

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>42%</td>
</tr>
<tr>
<td>August</td>
<td>38%</td>
</tr>
<tr>
<td>September</td>
<td>47%</td>
</tr>
</tbody>
</table>

CASE AGING

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>38%</td>
</tr>
<tr>
<td>August</td>
<td>47%</td>
</tr>
<tr>
<td>September</td>
<td>74%</td>
</tr>
</tbody>
</table>

Ave Age

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>56%</td>
</tr>
<tr>
<td>August</td>
<td>48%</td>
</tr>
</tbody>
</table>

Ave Case Age
Names (New gTLD Program)

• Completion of current round of New gTLD Program extended to 2017

• FY15 Q1 Program statistics
  – 63 top level domains delegated (total: 430 delegated)
  – 73 Registry Agreements signed (total: 600 agreements signed)

• 31 contention sets resolved
  – Auction proceeds are segregated from ICANN’s budget
  – Community will be consulted as to how these funds should be used

MORE INFORMATION
http://newgtlds.icann.org/en/
Internationalized Domain Names

• Chinese script root zone Label Generation Rules panel seated
• Two proposed internationalized country code top-level domains – one for the Republic of Iraq and one for Republic of Belarus – passed string evaluation

Key Reports Published

• New gTLD Program Reviews and Assessments Draft Work Plan
• Implementing Rights Protection Mechanisms in Name Collision Mitigation Framework
• Universal Acceptance Draft Work Plan
Technical Engagement & Outreach
Engagement: Latin America & Caribbean (LAC)

• Key events:
  – i-Roadshows: Guadalajara, Mexico & São Paulo, Brazil
  – Technical Workshop for TLD community- São Paulo
  – CaribNOG8 / Latin American and Caribbean Network Information Centre (LACNIC)- Curaçao

• Communications plan

• First new gTLDs for the region signed at ICANN 51
  – .LAT | .BAR | .REST

• Signed cooperation agreements with
  – Inter-American Telecommunication Commission (CITEL)
  – Caribbean Telecommunications Union
306 ICANN Staff in 28 Countries

N. AMERICA; LATIN AMERICA & CARIBBEAN
233 staff → 242 staff
3% growth

EUROPE; MIDDLE EAST & AFRICA
41 staff → 44 staff
7% growth

ASIA PACIFIC & OCEANIA
17 staff → 20 staff
17% growth

JULY 2014 → SEPT. 2014
Development and Public Responsibility Dept.

Education
- University outreach
- ICANN Learn- current stats:
  - 50 courses | 1,000 users / month | 10,000 lessons viewed / month

Localization and Language Services
- Focus group on translation for ICANN.org

Supporting the Next Generation
- 357 Fellowship Program applications for ICANN 51
- 12 participated in NextGen@ICANN Program at ICANN 51

Participation in Global Internet Cooperation & Development
- NETmundial Initiative
- Participation with International Organizations & sponsorship matters
Financials

Xavier Calvez, CFO

MORE INFORMATION
https://www.icann.org/resources/pages/financials-2012-02-25-en
FY15 Q1 Progress vs. Budget – ICANN Ops

Revenue and expenses on target for Q1.

Support & Revenue
- Q1 Actual: 23
- FY15 Budget: $104M

Operating Expenses (Baseline)
- Q1 Actual: 20
- FY15 Budget: $101M

Approved Initiatives (USG Transition Project)
- Q1 Actual: 0.9
- FY15 Budget: $6.9M

Capital Expenses
- Q1 Actual: 1.5
- FY15 Budget: $7.9M

In millions, USD - unaudited
Revenue overall on target. Monitoring slower new TLD delegations for impacting on fixed fees

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual</th>
<th>Budget</th>
<th>Better (+) / Worse (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registry Transaction Fees</td>
<td>11.3</td>
<td>10.7</td>
<td>+5%</td>
</tr>
<tr>
<td>Registry Fixed Fees</td>
<td>2.3</td>
<td>2.5</td>
<td>-7%</td>
</tr>
<tr>
<td>Registrar Fees</td>
<td>8.9</td>
<td>8.8</td>
<td>+1%</td>
</tr>
<tr>
<td>Other</td>
<td>0.8</td>
<td>0.4</td>
<td>+119%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23.4</strong></td>
<td><strong>22.4</strong></td>
<td><strong>+4%</strong></td>
</tr>
</tbody>
</table>

$2.6M of Registry and Registrar revenue (included above) in Q1 by 414 new TLDs delegated at the end of Q1 (inception to date).

**Total Ops Support & Revenue: $23.4M**

In millions, USD - unaudited
# FY15 Q1 Operating Expenses – ICANN Ops

Careful management of expenses and favorable differences of project vs plan

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual</th>
<th>Budget</th>
<th>Better (+) / Worse (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>11.6</td>
<td>11.9</td>
<td>+3%</td>
</tr>
<tr>
<td>Travel &amp; Meetings</td>
<td>2.2</td>
<td>2.2</td>
<td>-1%</td>
</tr>
<tr>
<td>Prof. Svcs.</td>
<td>2.9</td>
<td>3.8</td>
<td>+23%</td>
</tr>
<tr>
<td>Admin.</td>
<td>4.4</td>
<td>4.7</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21.1</strong></td>
<td><strong>22.6</strong></td>
<td><strong>+7%</strong></td>
</tr>
</tbody>
</table>

**Total Operating Expenses: $21.1M**

In millions, USD - unaudited
New gTLD Program – Multi-year Forecast

Application fees collected: 362

- FY12-14 Actual: 135
- FY15 Forecast: 154
- FY16-17 Forecast: 223
- Full Program Forecast: 274

Cumulative costs:
- Refunds: 19
- Application processing costs: 135

Remaining funds for unexpected expenses (including risks): 87
FY15 Q1 Progress vs. Budget – New gTLD Program

In millions, USD - unaudited
Funds Under Management

In millions, USD - unaudited

- As of 31 Mar 14: 320 (New gTLD Auction Proceeds: 215, Operating cash: 23, New gTLD Cash: 82, Reserve Fund: 18)
- As of 30 Jun 14: 311 (New gTLD Auction Proceeds: 209, Operating cash: 15, New gTLD Cash: 86, Reserve Fund: 16)
- As of 30-Sep-14: 300 (New gTLD Auction Proceeds: 198, Operating cash: 16, New gTLD Cash: 85, Reserve Fund: 14)
Questions?

More Information

ICANN.org
Visit the Quarterly Reports web page

For Journalists
Visit the For Journalists web page

Please join us for the Q2 Stakeholder Call on:

29 January 2015
14:00 UTC