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
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 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
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

MORE INFORMATION
https://www.icann.org/policy
http://gnso.icann.org/en/
## FY17 Q1 HIGHLIGHTS

<table>
<thead>
<tr>
<th>Topic</th>
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<tbody>
<tr>
<td>5 cross-community WGs (chartering organization)</td>
</tr>
<tr>
<td>4 active ccNSO working groups</td>
</tr>
<tr>
<td>1 ccNSO PDP underway</td>
</tr>
<tr>
<td>16 Council decisions</td>
</tr>
<tr>
<td>2 Council committees</td>
</tr>
<tr>
<td>18 Sessions Helsinki (ICANN 56)</td>
</tr>
</tbody>
</table>

### More Information

- 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.

[https://www.icann.org/policy](https://www.icann.org/policy)

[http://ccnso.icann.org/](http://ccnso.icann.org/)
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).


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


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
  - 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
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

<table>
<thead>
<tr>
<th>Track 1</th>
<th>Track 2</th>
<th>Track 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Root Zone Management System (RZMS) updates &amp; parallel testing</td>
<td>Service Level Expectations (SLEs) for Naming Community</td>
<td>ICANN Bylaws</td>
</tr>
<tr>
<td>Root Zone Maintainer Agreement (RZMA)</td>
<td>Service Level Agreements (SLAs) with the Number Community</td>
<td>ICANN Articles of Incorporation</td>
</tr>
<tr>
<td></td>
<td>Public Technical Identifiers (PTI)</td>
<td>Reconsideration Request Enhancements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Empowered Community</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Implementation of the post-transition Financial Planning Process</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nov '15</th>
<th>Dec '15</th>
<th>Jan '16</th>
<th>Feb '16</th>
<th>Mar '16</th>
<th>Apr '16</th>
<th>May '16</th>
<th>Jun '16</th>
<th>Jul '16</th>
<th>Aug '16</th>
<th>Sep '16</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️</td>
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<td>✔️</td>
</tr>
</tbody>
</table>

**Overall % Complete**: 100%
<table>
<thead>
<tr>
<th>GDD: IANA Department Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>480</strong></td>
</tr>
<tr>
<td>Domain-related requests</td>
</tr>
<tr>
<td><strong>969</strong></td>
</tr>
<tr>
<td>Protocol-related requests</td>
</tr>
<tr>
<td><strong>322</strong></td>
</tr>
<tr>
<td>General inquiries</td>
</tr>
<tr>
<td><strong>3</strong></td>
</tr>
<tr>
<td>Number-related events</td>
</tr>
<tr>
<td><strong>1</strong></td>
</tr>
<tr>
<td>Key signing ceremony</td>
</tr>
</tbody>
</table>

1 July to 30 September
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.
# IT & Engineering Update

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Governmental Advisory Committee (GAC) website</td>
</tr>
<tr>
<td>2</td>
<td>Enterprise Resource Planning (ERP)</td>
</tr>
<tr>
<td>3</td>
<td>Service Level Agreement Monitoring System</td>
</tr>
</tbody>
</table>
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

- 80% of the registrars received final audit report.

MAY 17, 2016 Round

- 80% of the registrars received final audit report.

<table>
<thead>
<tr>
<th>Documents</th>
<th>Registrars</th>
<th>Countries</th>
<th>Languages</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,200</td>
<td>65</td>
<td>23</td>
<td>11</td>
</tr>
<tr>
<td>1,600</td>
<td>15</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

Registrar Compliance Continuous Improvement

Seoul, Korea Registrar Outreach

<table>
<thead>
<tr>
<th>Complaint Received</th>
<th>Complaint Closed</th>
<th>Closure Rates (Target &gt;=55%)</th>
<th>Received to Closed Turnaround Time (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY16</td>
<td>9,252</td>
<td>8,542</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10.3</td>
</tr>
<tr>
<td>Q1 FY17</td>
<td>12,166</td>
<td>12,018</td>
<td>71.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10.7</td>
</tr>
</tbody>
</table>

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

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: 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
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

**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.

**MORE INFORMATION:** https://www.icann.org/InternationalizedDomainNames
GDD: Global Support Center Tickets – FY17 Q1

Case Volume Trending
Cases Created & Resolved

Case Backlog
Quarter End Volume Trending

Status Frequency
Communication & Updates

Resolution Time Target
Case Aging

Inquiry Backlog

Average Age In Days

% Within SLT Average Age In Days

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
- 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
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)
APAC Community in ICANN
APAC Community Engagement

- Community participation
- Contribution to a Secure, Stable and Resilient unique identifier ecosystem
## Increased APAC Community Participation

<table>
<thead>
<tr>
<th>Policy Development Process (PDP)</th>
<th>PDP Launch Date</th>
<th>% of Global Members from APAC</th>
<th>Total number of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privacy &amp; Proxy Services Accreditation Issues</td>
<td>Oct 2013</td>
<td>5%</td>
<td>80</td>
</tr>
<tr>
<td>IGO-INGO Access to Curative Rights Mechanisms in all gTLDs</td>
<td>Jun 2014</td>
<td>3%</td>
<td>30</td>
</tr>
<tr>
<td>Next Generation gTLD Registration Services to Replace WHOIS</td>
<td>Nov 2015</td>
<td>16.7%</td>
<td>144</td>
</tr>
<tr>
<td>New gTLD Subsequent Procedures</td>
<td>Jan 2016</td>
<td>19.1%</td>
<td>141</td>
</tr>
<tr>
<td>Review of All Rights Protection Mechanisms (RPMs) in All gTLDs</td>
<td>Mar 2016</td>
<td>9.86%</td>
<td>142</td>
</tr>
</tbody>
</table>
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
ICANN Readouts – Community Collaboration

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

APNIC42 DNS Security Workshops, Colombo, October 2016
Current Topic: New gTLD Subsequent Procedures Policy Development Process (PDP)

Considering a set of 6 overarching issues:
1. Additional new gTLDs in the future
2. Categorization or differentiation of gTLDs (for example brand, geographical, or supported community) in ongoing new gTLD mechanisms
3. Future new gTLDs assessed in “rounds.”
4. Predictability should be maintained or enhanced without sacrificing flexibility. In the event changes must be introduced into the new gTLD Application process, the disruptive effect to all parties should be minimized.
5. Community engagement in new gTLD application processes.
6. Limiting applications in total and/or per entity during an application window.

Community Comment 1 – seeking input from the community on these subjects

- Input received from GAC, RySG, and IPC
- WG considering in preliminary conclu:
Financial Update

Xavier Calvez
Chief Financial Officer
### FY17 Q1 Resource Utilization Estimate

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

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>Budget</th>
<th>Var</th>
<th>% Var</th>
<th>LY</th>
<th>Var</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 32</td>
<td>$ 32</td>
<td>$ 0</td>
<td>3%</td>
<td>$ 29</td>
<td>$ 3</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Baseline Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Operating*/Capital)</td>
<td>-$ 24</td>
<td>-$ 29</td>
<td>$ 5</td>
<td>15%</td>
<td>-$ 22</td>
<td>-$ 2</td>
<td>-11%</td>
</tr>
<tr>
<td><strong>IANA Stewardship</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transition Expenses</td>
<td>-$ 3</td>
<td>-$ 2</td>
<td>$ -1</td>
<td>-44%</td>
<td>-$ 4</td>
<td>$ 1</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Net</strong></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 5</td>
<td>$ 1</td>
<td>$ 4</td>
<td>n/a</td>
<td>$ 3</td>
<td>$ 2</td>
<td>n/a</td>
</tr>
</tbody>
</table>

*Excludes bad debt and depreciation*

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Q1 Funding Estimates vs Budget and Last Year

**ICANN OPERATIONS**

**Funding meets target.**

**Estimate:** $32  
**Budget:** $32  
**Last Year:** $29

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Q1 Baseline Operating and Capital Expense Estimates vs Budget and Last Year

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

PERSONNEL
Est: $13 avg: 337
Bud: $15 avg: 364
LY: $12 avg: 306

TRAVEL & MEETINGS
Est: $3
Bud: $3
LY: $2

PROFESSIONAL SERVICES
Est: $4
Bud: $5
LY: $6

ADMINISTRATION*
Est: $2
Bud: $5
LY: $1

CAPITAL
Est: $2
Bud: $1
LY: $1

*Administration excludes bad debt and depreciation.

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
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%

Capital
$0.1
3%

Travel & Meetings
$0.1
5%

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Q1 New gTLD Program Cost Estimates

New gTLD PROGRAM

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

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

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
Funds Under Management Estimates

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

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
QUESTIONS?
Total ICANN Overview

ICANN OPERATIONS

FUNDING

BASELINE EXPENSES *

PTI

IANA STEWARDSHIP TRANSITION EXPENSES

TOTAL ICANN

New gTLD PROGRAM

FUNDING

EXPENSES

TOTAL ICANN

OPERATING FUND

RESERVE FUND

New gTLD FUNDS

*Excludes depreciation and bad debt expenses
FY17 Q1 Funding Estimate

ICANN OPERATIONS

Driven By Domain Name Registrations
- Transaction-based fees: $14M (42%)

Driven By # of Contracted Parties
- Per-TLD fixed fees: $7M (22%)

FROM REGISTRIES
- Transaction-based fees: $8M (26%)

FROM REGISTRARS
- Application fees: $2M (7%)

Other Income: $1M, 3%

Total Funding: $32M

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
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

Reflects an estimated average headcount of 337, which excludes 11 average headcount allocated to initiatives.

*Excludes bad debt and depreciation

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
New gTLD Program – Multi-year Forecast

Application fees collected $362

$274

$89

Refunds $53

Costs $221

FULL PROGRAM FORECAST

FY12-15 ACTUAL

Refunds $40

Costs $163

Refunds $3

Costs $21

Refunds $10

Costs $22

FY17 FORECAST

Refunds $15

Costs $15

FY18 & BEYOND FORECAST

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
### FY17 Budget Resource Utilization

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

<table>
<thead>
<tr>
<th>FY17 Budget</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Support &amp; Revenue</td>
<td>$ 132</td>
</tr>
<tr>
<td>Baseline Expenses (Operating*/Capital)</td>
<td>-$ 123</td>
</tr>
<tr>
<td>PTI (IANA operations)</td>
<td>-$ 9</td>
</tr>
<tr>
<td>Net</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

*Excludes bad debt and depreciation

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.