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
President & CEO Overview

Göran Marby
President & CEO
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
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.

**MORE INFORMATION**

https://www.icann.org/policy
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

| Track 1 | Root Zone Management System (RZMS) updates & parallel testing | ✔ |
| Track 1 | Root Zone Maintainer Agreement (RZMA) | ✔ |
| Track 2 | Service Level Expectations (SLEs) for Naming Community | ✔ |
| Track 2 | Service Level Agreements (SLAs) with the Number Community | ✔ |
| Track 2 | IETF MoU Supplemental Agreement | ✔ |
| Track 2 | Public Technical Identifiers (PTI) | ✔ |
| Track 2 | Incorporation, Bylaws, Governance Docs, Subcontracting Agreements | ✔ |
| Track 2 | Naming and Services agreements | ✔ |
| Track 2 | Root Zone Evolution Review Committee (RZERC) | ✔ |
| Track 2 | Customer Standing Committee (CSC) | ✔ |
| Track 2 | IANA Intellectual Property Rights (IPR) | ✔ |
| Track 2 | IANA Operational Escalation Processes | ✔ |
| Track 3 | ICANN Bylaws | ✔ |
| Track 3 | ICANN Articles of Incorporation | ✔ |
| Track 3 | Independent Review Process (IRP) Enhancements | ✔ |
| Track 3 | Reconsideration Request Enhancements | ✔ |
| Track 3 | Empowered Community | ✔ |
| Track 3 | Implementation of the post-transition Financial Planning Process | ✔ |

Overall % Complete 100%
<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domain-related requests</td>
<td>480</td>
</tr>
<tr>
<td>Protocol-related requests</td>
<td>969</td>
</tr>
<tr>
<td>General inquiries</td>
<td>322</td>
</tr>
<tr>
<td>Number-related events</td>
<td>3</td>
</tr>
<tr>
<td>Key signing ceremony</td>
<td>1</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.
1. Governmental Advisory Committee (GAC) website
2. Enterprise Resource Planning (ERP)
3. Service Level Agreement Monitoring System
REGISTRAR AUDITS – 2013 RAA

Sep 14, 2015 – May 25, 2016 Round

18% To be retested in a future audit round

MAY 17, 2016 Round

80% of the registrars received final audit report.

Documents | Registrars | Countries | Languages
---|---|---|---
5,200 | 65 | 23 | 11
1,600 | 15 | 7 | 4

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>Q1 FY17</td>
<td>12,166</td>
<td>12,018</td>
<td>71.8%</td>
</tr>
</tbody>
</table>

For more information, please visit: [https://www.icann.org/resources/pages/compliance-reports-2016-04-15-en](https://www.icann.org/resources/pages/compliance-reports-2016-04-15-en)
[https://features.icann.org/compliance](https://features.icann.org/compliance)
GDD: New gTLD Program

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.

**WHY IT’S IMPORTANT**

- **135** Strings delegated in FY17 Q1
  - **1,186** total*
- **4** Registry Agreements signed in FY17 Q1
  - **1,239** total*
- **0** Contention sets resolved in FY17 Q1
  - **218** of 233 total*

- 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 sessions planned to discuss these reports

*as of 30 September 2016

**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
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; Strasbourg France Sept 9
- Salzburg Seminar on remaking the State – Impact of the Digital Revolution; Strasbourg, 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
Community participation

Contribution to a Secure, Stable and Resilient unique identifier ecosystem
<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

**DNS industry**

- New gTLDs delegated - 177
- Newly accredited Registrars – 159 to 228

**At-Large Participation**

Since Aug 2013, the Asia-Pacific Regional At-Large Organization (APRALO) has welcomed 7 new At-Large Structures (ALS).
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
Building Capacity: Technical

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

APNIC42 DNS Security Workshops, Colombo, October 2016
New gTLD Subsequent Procedures - Work to Date

- Considering a set of 6 overarching issues:
  1. Additional new gTLDs in the future.
  2. Categorization or differentiation of gTLDs (e.g., 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.
  5. Community engagement in new gTLD application processes.
  6. Limiting applications to entities during an application window.

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

- Input received from GAC, RySO, and IPC
- WG considering in preliminary conclusions

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APAC Space Web Conference

Current Topic: New gTLD Subsequent Procedures Policy Development Process (PDP)

APAC Space @ ICANN57

Tuesday, 8 November 2016
3:15PM – 4:45PM (local time)
## 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>$ 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>-$ 24</td>
<td>-$ 29</td>
<td>$ 5</td>
<td>15%</td>
<td>-$ 22</td>
<td>-$ 2</td>
<td>-11%</td>
</tr>
<tr>
<td>(Operating*/Capital)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IANA Stewardship</strong></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>Transition Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net</strong></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

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

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 hdct 337
Bud $15 avg hdct 364
LY $12 avg. hdct 306

TRAVEL & MEETINGS
Est $2
Bud $3
LY $1

PROFESSIONAL SERVICES
Est $3
Bud $5
LY $2

ADMINISTRATION*
Est $4
Bud $5
LY $6

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

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

REFUNDS OF WITHDRAWN APPLICATIONS
- Forecast: $1
- Budget: $2
- Last Year: $1

APPLICATION PROCESSING
- Forecast: $5
- Budget: $5
- Last Year: $7

REPAYMENT OF HISTORICAL DEV. COSTS
- Forecast: $1
- Budget: $1
- Last Year: $1

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

**ICANN Operations**
- Operating Fund: $26
- Reserve Fund: $71
- 30 Jun 2016: $97
- Operating Fund: $44
- Reserve Fund: $64
- 30 Sep 2016: $108

**New gTLD Program**
- New gTLD Funds: $142
- Auction Proceeds: $102
- 30 Jun 2016: $244
- Auction Proceeds: $234
- 30 Sep 2016: $367

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

*Excludes depreciation and bad debt expenses
FY17 Q1 Funding Estimate

**ICANN OPERATIONS**

**Driven By Domain Name Registrations**

- **Transaction-based fees**
  - FROM REGISTRIES: $14M (42%)
  - FROM REGISTRARS: $8M (26%)

**Driven By # of Contracted Parties**

- **Per-TLD fixed fees**
  - OTHER INCOME: $7M (22%)
  - APPLICATION FEES, ACCREDITATION FEES: $2M (7%)

**Other Income: $1M, 3%**

**Total Funding: $32M**

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

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.

Personnel
$13
54%

Professional Services
$3
13%

Travel & Meetings
$2
9%

Admin.*
$4
15%

Capital
$2
9%

Q1 Estimated Baseline Operating & Capital Expenses: $24M

Reflects a 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

- Full Program Forecast
  - Costs $221
  - Refunds $53

- FY12-15 Actual
  - Costs $163
  - Refunds $40

- FY17 Forecast
  - Costs $21
  - Refunds $3

- FY18 & Beyond Forecast
  - Costs $22
  - Refunds $10

- Costs $15

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
<table>
<thead>
<tr>
<th>FY17 Budget Resource Utilization</th>
</tr>
</thead>
</table>

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

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

*Excludes bad debt and depreciation

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