President’s Overview (10 min) - Fadi Chehadé
Policy Update (10 min) – David Olive & Adiel Akplogan
Management Update (15 min) – David Conrad
Financial Update (10 min) – Xavier Calvez
Q&A (30 min) - All
President’s Overview

Fadi Chehadé, President and CEO
Overview

- Fourth Quarterly Stakeholder Call of FY15

**Topics:**

- Beta Dashboard launch
- Operational performance and excellence
- Contractual Compliance
- IANA Stewardship Transition
- Enhancing ICANN’s Accountability
- Community support
- Internet Governance
Objectives & Overall Status

1. Evolve and further globalize ICANN
2. Support a healthy, stable and resilient unique identifier ecosystem
3. Advance organizational, technological and operational excellence
4. Promote ICANN’s role and multistakeholder approach
5. Develop and implement a global public interest framework bounded by ICANN’s mission

How to read and understand the charts:

- **0 - 49**: Tracking significantly short of target
  - Immediate corrective action needed
- **50 - 84**: Tracking short of target
  - Corrective actions as needed
- **85 - 100**: Tracking to target
  - Stay the course, no corrective action needed

Beta KPI Dashboard:
https://www.icann.org/progress
Operational Performance

FY15 BY THE NUMBERS

- **679** TLDs delegated
- **540** Registry Agreements signed

**Progressing on globalizing functions:**
- EMEA 90%
- APAC 70%
- LAC & NA 100%

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

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

MORE INFORMATION
IANA Stewardship Transition / Accountability

**Phase 1**
Community Proposal & Public Comment

- Multistakeholder Community Delivers
  - ICG Proposal
  - CCWG-Accountability Proposal

**Phase 2**
NTIA Review & Evaluation

- 4-5 Months
  - Final Sign Off
    - NTIA Review Process
    - Congressional Review

**Phase 3**
Stewardship Transition

- Finalize Implementation
  - ICG Proposal and CCWG-Accountability WS1 Operationalization
  - Bylaw Changes Drafted
  - Bylaw Changes Adopted
  - Accountability WS2 Proposal Process & Implementation
How to Submit a Public Comment

**ICG IANA Stewardship Transition Proposal:**
Comment by **8 September 2015**. Comments can be submitted in 2 ways:
1. By using the online form: [https://comments.ianacg.org/form](https://comments.ianacg.org/form)
2. By sending an email to public-comments@ianacg.org

**CCWG-Accountability Work Stream 1 Draft Recommendations:**
Comment by **12 September 2015**. Comments can be submitted by:
1. By sending an email to comments-ccwg-accountability-03aug15@icann.org

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

WHY IT’S IMPORTANT

ICANN operates in a bottom-up, multistakeholder model.

ICANN is committed to offering the tools, resources and programs to help this community do its important work.

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

 WHY IT’S IMPORTANT

ICANN is one participant of many in the Internet governance ecosystem, and participates because it is committed to maintaining a single stable open and interoperable Internet.

- Participation in the preparations for World Summit on the Information Society (WSIS +10) Review process
- Preparations for Internet Governance Forum (IGF) in Brazil
  - Ongoing support for the IGF and participation from ICANN
- NETMundial Initiative
  - Inaugural Council Meeting held 30 June, Saô Paulo
    - Communiquée: [https://www.netmundial.org/blog/secretariat/s%C3%A3o-paulo-communique%C3%A9-inaugural-council-meeting](https://www.netmundial.org/blog/secretariat/s%C3%A3o-paulo-communique%C3%A9-inaugural-council-meeting)
Policy Update

David Olive, VP Policy Development
Support & Adiel Akplogan, VP Technical Engagement
Q4 HIGHLIGHTS

- 8 motions adopted
- 14 Policy Development processes underway
- 47 GNSO sessions held at ICANN52

MORE INFORMATION

https://www.icann.org/policy
http://gnso.icann.org/en/

New areas of work in Q4
- New gTLD Subsequent Rounds
- New ICANN Meeting Strategy
- Review of procedures for seconding and amendments to motions

Completed work in Q4
- Translation & Transliteration of Contact Information (adopted by GNSO Council)
- GNSO Policy & Implementation (adopted by GNSO Council)
- CWG-Stewardship Final Transition Proposal (adopted by the GNSO Council)
- Input to FY16 ICANN Budget
Country-Code Names Supporting Org. (ccNSO)

Q4 HIGHLIGHTS

- Focus on IANA Stewardship Transition and ICANN Accountability: ccNSO Council supports submission CWG-Stewardship Final Transition Proposal to ICG
- Input into FY16 ICANN Ops Plan and Budget (SOPWG)
- Appointment of advisory team to assist in implementation of Framework of Interpretation of Policy Documentation (RFC 1591) for delegation, revocation and transfer (re-delegation) of ccTLDs
- Launch process to create oversight and guidance committee for security incident response email list

MORE INFORMATION
https://www.icann.org/policy
http://ccnso.icann.org/
Internet Engineering Task Force (IETF)

- Develops and maintains standards for technologies used to provide Internet service or to provide services over the Internet

- Increased involvement in “hackathons” where protocols are being implemented real-time

- Discussions on special TLDs (RFC 6761 process); larger working group was formed to help standardize a specification for describing TLDs and code points and rules for root zone

- IANAPLAN and IAB closely reviewed ICG Proposal; focusing on interactions between IETF and other stakeholders
ASO AC selected Ron da Silva to serve on Seat 9 of ICANN Board of Directors; term starts at the conclusion of ICANN’s annual meeting in October 2015

John Sweeting appointed to ASO AC to replace Ron da Silva’s position (ARIN’s region)

Around 30 proposals in various states of discussions through the five RIR policy development processes. Topics include: ASN (2), DNS (1), IPv4 (9), IPv6 (4), PDP (1), Region of Use (3), Transfer (10)

ARIN IPv4 space currently running out. 0.00238 /8 (as of 17 August)

MORE INFORMATION
For more information about RIR Mailing list and policy development participation go to: https://www.nro.net/policies
Number Resource Org. (NRO) & Address Supporting Org. (ASO)

- A Second draft of RIR-ICANN SLA currently published and open for public comments until August 31st [https://www.nro.net/sla](https://www.nro.net/sla)

- All SLA processes and discussions documented at [https://www.nro.net/iana-oversightposition](https://www.nro.net/iana-oversightposition) (ARIN’s region)

- The RIRs have setup a Joint RIR Stability fund. Amount pledged over $2.1m [https://www.nro.net/news/joint-rir-stability-fund-established](https://www.nro.net/news/joint-rir-stability-fund-established)

**Upcoming RIR Policy Meetings**

- APNIC 40 - Jakarta, Indonesia 3-10 September
- LACNIC 24 - Bogota, Colombia 28 September - 2 October
- ARIN 36 - Montreal, Canada 8-9 October
- RIPE 71 - Bucharest, Romania 16-20 November
- AFRINIC 23 - Brazzaville, Congo 21-27 November
Management Update
David Conrad, Chief Technology Officer
Executive Summary

- Information Technology & Internet Technology update
- Global Domains Division (GDD) update
- Contractual Compliance metrics
- Globalization and stakeholder engagement metrics
As stewards of information critical to the Internet community, we recognize the importance of being alert and vigilant at all times, which is a significant part of ICANN’s role.

 WHY IT’S IMPORTANT

- **IT security** - Leidos – scored 140 of 200
  - Arrow up 20% since 2014
- **IT Services Catalogue** – 84 digital services
- **IT security** – Cigitel services – “Find it, Fix it”
Internet Technology Update

WHY IT’S IMPORTANT

- Strengthened Internet technology focus and established Technology executive team

- Plan for changing the DNS Root Zone key
  - Public comment commenced 6 August

- Technology roadmap to help prepare ICANN for evolution of Internet identifier technologies

Maintaining the security, stability and resiliency of the Internet is a core part of ICANN’s mission, and fundamental to the Internet and ICANN’s work.
Contractual Compliance Metrics

**Complaint Volume**

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

<table>
<thead>
<tr>
<th>Total Volume</th>
<th>Apr-15</th>
<th>May-15</th>
<th>Jun-15</th>
<th>Q4 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total New</td>
<td>4,351</td>
<td>5,154</td>
<td>4,416</td>
<td>13,921</td>
</tr>
<tr>
<td>Total Closed</td>
<td>3,585</td>
<td>4,451</td>
<td>4,567</td>
<td>12,603</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Closure Rates</th>
<th>Apr-15</th>
<th>May-15</th>
<th>Jun-15</th>
<th>Q4 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Tickets</td>
<td>55%</td>
<td>49%</td>
<td>45%</td>
<td>50%</td>
</tr>
<tr>
<td>All Tickets [Target &gt;= 55%]</td>
<td>64%</td>
<td>62%</td>
<td>64%</td>
<td>63%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnaround Time (days)</th>
<th>Apr-15</th>
<th>May-15</th>
<th>Jun-15</th>
<th>Q4 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received-to-Closed</td>
<td>9.4</td>
<td>11.7</td>
<td>13.9</td>
<td>11.7</td>
</tr>
</tbody>
</table>
### GDD: New gTLD Program

#### Contention Sets Resolved
- **204** Contention sets resolved of initial 233
  - Vast majority have “self-resolved”
  - 13 sets resolved via ICANN auction

#### Auction Proceeds
- **US$ 59M** Auction proceeds to date (net)
  - Segregated from ICANN’s budget
  - Community to be consulted on use

#### Registry Agreements
- **123** Registry Agreements signed in FY15 Q4
  - 995 total*

#### Strings Delegated
- **101** Strings delegated in FY15 Q4
  - 679 total*

#### More Information
- [http://newgtlds.icann.org](http://newgtlds.icann.org)

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

*as of 30 June 2015
Internationalized Domain Name Top-level Domain (IDN TLD) Program

- Arabic and Armenian script communities completed proposals for Label Generation Rules
- Six scripts added in FY15 Q4 update of Maximal Starting Repertoire (Armenian, Ethiopic, Khmer, Myanmar, Thaana, Tibetan)

IDN country-code Top-level Domain (ccTLD) Process

- 47 IDN ccTLD labels successfully evaluated for 37 countries and territories
- Greece most recently announced

WHY IT’S IMPORTANT

IDNs at the top-level enable Internet users to access domain names in their respective languages and scripts.

IDN ccTLDs allow countries and territories to represent their respective names scripts other than US-ASCII characters.

MORE INFORMATION

https://www.icann.org/resources/pages/idn-2012-02-25-en
Universal Acceptance means that users globally can access any name in any top-level domain (TLD) from any web browser, email client, or other Internet application through a computer or other electronic device.

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

**MORE INFORMATION**

- [https://community.icann.org/display/TUA/TLD+Universal+Acceptance+Home](https://community.icann.org/display/TUA/TLD+Universal+Acceptance+Home)
- [https://www.icann.org/universalacceptance](https://www.icann.org/universalacceptance)
GDD: IANA Tickets – Year on Year

Number Events

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protocol Parameter Requests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14</td>
<td>3,960</td>
<td>3,958</td>
</tr>
<tr>
<td>FY15</td>
<td>837</td>
<td>1,586</td>
</tr>
</tbody>
</table>

Name Requests

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>1,117</td>
<td>1,165</td>
</tr>
<tr>
<td>FY15</td>
<td>327</td>
<td>89%</td>
</tr>
</tbody>
</table>

General Requests

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>FY15</td>
<td>6</td>
<td>2</td>
</tr>
</tbody>
</table>

FY15 Q4: 2
GDD: Global Customer Support Tickets

Case Volume Trending
Cases Created & Resolved

Case Backlog
Quarter End Volume Trending

Status Frequency
Communication & Updates

Resolution Time Target
Case Aging
Stakeholder Engagement and Outreach

FY15 Q4 (April-June) Events by Stakeholder Group

100+ events in 35 countries
13,000+ people reached

MORE INFORMATION: https://community.icann.org/category/gse
FY15 Revenue (ICANN Ops)

Driven By Domain Name Registrations

- **Transaction-based fees**: $47M (45.8%)

Driven By # of Contracted Parties

- **Per-TLD fixed fees**: $12M (12.0%)

FROM REGISTRIES

- **Transaction-based fees**: $29M (28.2%)

FROM REGISTRARS

- **Application fees**: $11M (10.4%)
- **Accreditation fees**
- **Per-Registrar variable fees**

Total revenue including other income (3.6%): $102M
FY15 Revenue (ICANN Ops) – Actual vs Budget

- **REGISTRY TRANSACTION FEE**
  - Actual: $47
  - Budget: $46
  - Variance: 1.8%

- **REGISTRAR TRANSACTION FEE**
  - Actual: $29
  - Budget: $29
  - Variance: -1.3%

- **REGISTRY FIXED FEE**
  - Actual: $12
  - Budget: $17
  - Variance: -26.6%

- **REGISTRAR OTHER FEES**
  - Actual: $11
  - Budget: $8
  - Variance: 31.9%

- **OTHER**
  - Actual: $4
  - Budget: $4
  - Variance: -11.5%

**Total Actual:** $102
**Total Budget:** $104
**Variance:** -1.8%
FY15 Baseline Operating Expenses (ICANN Ops)

- **Personnel**: $48M (45.3%)
- **Travel & Meetings**: $14M (13.6%)
- **Professional Services**: $15M (14.7%)
- **Administration**: $20M (19.3%)
- **Capital**: $7M (7.1%)

**Includes**:
- IT infrastructure and security improvements
- Facilities costs for $7M
- Depreciation for $5M
- Telecommunications ($4M)

**Includes**:
- Contracted services for ICANN Meetings for $4M
- Legal fees for $3M
- Language services ($2M)

Reflects an average FY15 headcount of 293

Includes travel and venue costs for ICANN Meetings ($7M)
FY15 Baseline Operating Expenses (ICANN Ops) – Actual vs Budget

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

- **Total Actual:** $105
- **Total Budget:** $109
- **Variance:** 4.0%

**Personnel**
- **Actual:** $48
- **Budget:** $50
- **Variance:** 4.5%

**Travel & Meetings**
- **Actual:** $14
- **Budget:** $13
- **Variance:** -13.8%

**Professional Services**
- **Actual:** $15
- **Budget:** $19
- **Variance:** 20.6%

**Administration**
- **Actual:** $20
- **Budget:** $20
- **Variance:** -3.7%

**Capital**
- **Actual:** $7
- **Budget:** $8
- **Variance:** 7.3%
FY15 IANA Stewardship Transition Costs (ICANN Ops)

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

PERSONNEL
- Actual: $1
- Budget: $1
Var = 13.2%

TRAVEL & MEETINGS
- Actual: $1
- Budget: $1
Var = -38.7%

PROFESSIONAL SERVICES/ ADMIN
- Actual: $6
- Budget: $5
Var = -29.7%
## FY15 Resource Utilization Overview (ICANN Ops)

### Cost savings offset lower revenue and initiatives overspend

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$ 102</td>
<td>$ 104</td>
<td>-$ 2</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Baseline Expenses</strong></td>
<td>-$ 100</td>
<td>-$ 104</td>
<td>$ 4</td>
<td>4%</td>
</tr>
<tr>
<td>(Operating*/Capital)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Initiatives Expenses</strong></td>
<td>-$ 9</td>
<td>-$ 7</td>
<td>-$ 2</td>
<td>-24%</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>-$ 7</td>
<td>-$ 7</td>
<td>$ 0</td>
<td></td>
</tr>
</tbody>
</table>

*excludes depreciation expense
### FY16 Resource Utilization (ICANN Ops)

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

<table>
<thead>
<tr>
<th></th>
<th>FY16 Budget</th>
<th>FY15 Actual</th>
<th>Variance</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$ 113</td>
<td>$ 102</td>
<td>$ 11</td>
<td>10.8%</td>
</tr>
<tr>
<td><strong>Baseline Expenses</strong></td>
<td>-$ 113</td>
<td>-$ 100</td>
<td>-$ 13</td>
<td>13%</td>
</tr>
<tr>
<td>(Operating*/Capital)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Initiatives Expenses</strong></td>
<td>-$ 12</td>
<td>-$ 9</td>
<td>-$ 3</td>
<td>-39.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>-$ 12</td>
<td>-$ 7</td>
<td>-$ 5</td>
<td></td>
</tr>
</tbody>
</table>

*excludes depreciation expense
New gTLD Program – Multi-year Forecast

Application fees collected: $362

FY12-14 ACTUAL
- Costs: $135
- Refunds: $21
- $156

FY15 ACTUAL
- Costs: $31
- Refunds: $18
- $50

FY16 FORECAST
- Costs: $32
- Refunds: $18
- $50

FY17 FORECAST
- Costs: $19
- Refunds: $18
- $50

FULL PROGRAM FORECAST
- Costs: $218
- Refunds: $56
- $274

- Costs $19
- Refunds $18
- Remaining funds for unexpected expenses (including risks)
- Application processing costs
- Cumulative costs

Costs $362
FY15 New gTLD Program costs - Actual vs. Budget

REFUNDS OF WITHDRAWN APPLICATIONS

- **ACTUAL**: $18
- **BUDGET**: $10

**Var = -88.8%**

APPLICATION PROCESSING

- **ACTUAL**: $25
- **BUDGET**: $33

**Var = 23.8%**

REPAYMENT OF HISTORICAL DEV. COSTS

- **ACTUAL**: $6
- **BUDGET**: $6

**Var = -3.8%**

**Total Actual**: $50
**Total Budget**: $49
**Variance**: -1.9%
Funds Under Management

New gTLD Program
New gTLD funds/Auction proceeds

<table>
<thead>
<tr>
<th>Year</th>
<th>New gTLD Funds</th>
<th>Auction Proceeds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 2014</td>
<td>$209</td>
<td>$1</td>
<td>$210</td>
</tr>
<tr>
<td>30 June 2015</td>
<td>$221</td>
<td>$59</td>
<td>$280</td>
</tr>
</tbody>
</table>

ICANN Ops
Operating and reserve funds

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Fund</th>
<th>Reserve Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 2014</td>
<td>$100</td>
<td>$85</td>
</tr>
<tr>
<td>30 June 2015</td>
<td>$105</td>
<td>$86</td>
</tr>
</tbody>
</table>

Total Funds: $326
Program-related: $221
ICANN Operations: $105
Thank You and Questions

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

Email: engagement@icann.org
Website: https://www.icann.org/resources/pages/quarterly-reports-2014-11-13-en

twitter.com/icann
gplus.to/icann
facebook.com/icannorg
weibo.com/ICANNorg
linkedin.com/company/icann
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youtube.com/user/icannnews
slideshare.net/icannpresentations