

GORAN MARBY:

Welcome to today's quarterly stakeholder update. Today's report covers highlight from the quarter ending March 21st, and myself and Cherine will also talk about the latest development on some work we do. On May 14, there will be a webinar where you can ask questions on this report. In today's update, I'm going to talk about a draft FY19 Operation Plan and Budget and what happens next, and the latest update on the general data protection rules regulation, GDPR, which ICANN has been preparing now for a while.

Let's start with a recap of ICANN's fiscal year 18, third quarter financials. Based on the 9 months of financial, our funding continues to be below budget, consistently with our previous forecast. Our careful management of expenses, which are also significantly below budget, allows us to show a small net excess. We expect these trends to continue through the end of our fiscal year in June. About next year we expect next year's funding to be very close to this year's funding. We've been working hard to prepare the final proposed operation plan, operating plan and budget. Thank you for your input in the public comment process, we received around 165 comments, which is more than we ever had. There were some clear themes in the comments received such as the fellowship programme, the crop mechanism, and the ICANN Wiki address. We posted a staff report to the public comments and I encourage you to read it. We heard you and are working hard to address your comments and feedback. Here's what happens next. In a few weeks we will publish a final proposed FY19 Operating Plan and Budget on our website, including any changes based on your comments. This is so you can exactly what package is sent to

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*Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.*

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the board for adoption at the end of May. It is 6 full documents, so you can see every detail, stay tuned for that in the next few weeks. One thing we talked about at ICANN 61 is the number of reviews planned in FY19, and what it means for resources and volunteer time. If the community decides of delay of some of those reviews, it could free up more resources for FY19. I know this is not the easiest thing to do, but I think it's the right thing to consider. Rather, you are the ones who thought that was a wise thing to do and consider. I made a promise in San Juan, based on your comments to make a proposal which I am now doing to the community. The public comment process for [inaudible] now, so please share your thoughts.

Now just to talk a little bit about the GDPR development, because there's been a lot of preparation and discussion on this. As you know this takes effect on May 25 in just a couple of weeks. There has been a lot of activity lately, partly it is related to the Org's coordination on WHOIS services. I want to update on a most recent one. On May 3rd, the ICANN board passed a resolution to begin the pre consultation with the government of the advisory committee, on the San Juan advise regarding GDPR. This step, the first one required in the board GAC consultation process, would allow the board to reconcile GACA advice that may be viewed as inconsistent with ICANNs proposed interim model for compliance with GDPR, which the board will consider adopting as a temporary specification to ICANN registry and registrar accreditation agreement. This decision came shortly after we met with a group of contracted parties on April 27th to discuss operational and technical aspects of ICANNs proposed interim model and compliance with the GDPR. We had productive conversations during the working

sessions and explored the technical operation ramifications of implementing the interim model. It is important that local law always supersedes any policies set by the community in the ICANN framework, it is also important to remember that the every contracted party as a data processor are individual responsible for the data in WHOIS according to GDPR. Also in April we received helpful guidance for the Article 29 working party on several elements on our proposed interim model. However, the guidance did not include an extended time [inaudible] to implement the necessary changes to WHOIS services. We still remain concerned that without this extension, the WHOIS will become more fragmented. We continued to talk with the Article 29 working party on seeking further guidance from them at the deadline for enforcement comes closer. We agree with them that there are open questions that needs to be answered. In parallel we are refining our model based on the guidance we received and we're consulting with the board on all available steps. The ICANN board will discuss all of this issues at the Vancouver workshop this week. For those who are less familiar with GDPR, what ICANN has been doing to prepare, please also see our website where you will see the extensive work we have undertaken with the community and engagement with the DPA.

Policy, in the country code name support organization, or the ccNSO, there were 20 resolutions adopted and 4 policy related processes underway. Generic name supporting organization, or GNSO, there were 3 resolutions adopted and there are 9 policy development processes underway. Please see the policy update section in the report for more details.

Next, I want to mention the key signing key rollover, or the KSK. The plan date to roll the key signing key is October 11 this year, we held a public comment on this topic and drafted a plan based on community feedback that was posted early February. At the end of April we posted a staff report with responses to comments received and I encourage you to read that.

Next, just to remind you of the information transparative initiative, or ITI, officially kicked off its work in January this year. Let me again re-emphasise that ITI is now a website [inaudible]. This is a project of focus of improving underlying content of technical foundation. The team has implemented a foundation of a first ever document management system, the DMS, and integrated the DMS with a new content management system. We're doing this to improve our content governance and findability of that content, and ensure that we're meeting our commitments to accountability and transparency. Because this is not a cosmetic change, we will take time to realize the benefits. The goal is to launch improved search wants, the process is complete in December 2019. We will, of course, share with you each step of the way. Tomorrow, as I said, I am heading to Vancouver for the board workshop on the global domains traditions summit. It is a packed week as always, but a lot of discussions I am sure. Now, I'd like to handover to Cherine to talk a bit more about the board activities. Thank you very much.

CHERINE CHALABY:

Thank you Goran for the update. I can hardly believe that it's already May, and that we are approaching the end of the fiscal year 2018. The

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next couple of months will be challenging to all of us, it is what I call crunch time, by that I mean it's a critical period when as Goran just mentioned, the size of actions are needed on two fronts, GDPR and the FY19 budget. I would therefore like to give you the board perspective on these two issues. Regarding GDPR, the 25th May deadline is nearly upon us, and the board wants to thank the community for all its efforts and for agreeing on many aspects on the interim model, in particular shared access. Unfortunately, we are not where we wanted to be and the gap still remains between the views of the Article 29 working party, and significant parts of the ICANN community. Although we received guidance on the submitted interim model, we believe there is still a misunderstanding about ICANN's mission and the DNS. While ICANN Org will remain in constructive dialogue with the Article 29 working party, the European Commission, and our community, I must caution that resolution of outstanding issues, such as an accreditation program prior to 25th May is increasingly unlikely. The Article 29 working party has indicated that guidance on accreditation will not be issued until late summer, and there is no current indication that we will secure additional time to design, develop, and implement a more robust interim solution pending community policy development. [inaudible] a last minute agreement, we must acknowledge that after 25th May, enforcement decisions will most likely be made by individual data protection authorities until we have received definitive guidance from the European data protection board.

As for the FY19 budget, I believe that good progress has taken place. In San Juan, I said in my opening speech, that the board is cognisant of concerns around the proposed budget cuts, of various community

programs and request mechanisms and that it is important for the community to weigh in on priorities. I'm glad to say, and to echo your words that the ICANN Org is considering all public comments and that there were some clear themes, such as the fellowship program, the crop request mechanism, and the ICANN Wiki amongst others. The board has heard your comments, and is providing oversight to ICANN Org, to ensure comments are adequately considered and addressed. ICANN Org is also consulting the community on a proposal for streamlining the organizational and specific reviews in FY19. We recognize that reviews are an important part of our operations, consequently they should not be just a resource intensive check box activity, but should be an effective and sensible tools to help us improve. Our collective aim, therefore, is to strike the right balance between fiscal and accountability responsibility, and ensuring our community of mostly volunteers are able to participate effectively in ICANN.

Finally, I want to update you on a recently concluded public comment proceeding, on a proposed uniform board member integrity screening process. In that proposal, the board suggest to the supporting organizations and advisory committees, that do not currently employ due diligence integrity screening, to begin conducting due diligence on the candidates selected to serve on the ICANN board, in a similar manner to the nominating committee. ICANN Org staff has published the staff report, highlighting the comments and we are in the process of determining next steps. Thank you all for listening and that concludes today's call.

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