



# FY15 Q3 Stakeholder Call

23 April 2015 | For quarter ending 31 March 2015

# Agenda

- ⦿ **President's Overview (10 min) - Fadi Chehadé**
- ⦿ **Policy Update (10 min) – David Olive**
- ⦿ **Management Update (15 min) – Tarek Kamel**
- ⦿ **Financial Update (10 min) – Xavier Calvez**
- ⦿ **Q&A (30 min) - All**

A world map where the continents are defined by a network of white dots connected by thin white lines, set against a dark blue background. The dots vary in size, and the lines form a complex web that outlines the major landmasses.

# **President's Overview**

Fadi Chehadé, President and CEO



- ◉ Third Quarterly Stakeholder Call
- ◉ Goal: Provide accountable and transparent way to follow ICANN's progress towards fulfilling its mission, outside of ICANN Meetings
- ◉ Objective: Factual, detail-based reporting for the Quarter

## Topics:

- Operational performance and excellence
- Contractual Compliance
- IANA Stewardship Transition
- Enhancing ICANN's Accountability
- Community support
- Internet Governance

# Operational Performance

## FY15 Q3 HIGHLIGHTS

140 Registry  
Agreements signed

99 TLDs delegated

Global Customer  
Service Center:

- 24x5 support via Los Angeles, Istanbul, Singapore hubs
- Email, phone, online
- Multi-language

- ⦿ Posted draft FY16 Operating Plan and Budget for public comments
- ⦿ FY15 Q3 financials- Revenues slightly below budget, more than offset by expenses
- ⦿ Progressed globalization efforts:
  - Additional Customer Service Capabilities- from 1 June
  - New venues for arbitration in L-Root Hosting agreements (Geneva, Switzerland; Singapore; California, USA)
  - Currency options for payments
- ⦿ Two independent Service Organization Control audits completed by Pricewaterhouse Coopers (PwC)
  - <https://www.icann.org/news/announcement-2015-04-02-en>
- ⦿ Expanded EFQM Program (for Business Excellence)
- ⦿ Stabilized staff growth; focus on staff development

# Contractual Compliance

## CONTRACTUAL COMPLIANCE AUDIT

2 Registrars of the 312 in scope terminated for non-response to 3<sup>rd</sup> year audit request

11 TLDs selected for next round of new Registry Agreement Audit Program

### MORE INFORMATION

<https://www.icann.org/resources/pages/compliance-reports-2015-01-30-en>

- ⦿ 3<sup>rd</sup> year of Contractual Compliance Three-Year Audit Program in the remediation phase
- ⦿ New Registry Agreement Audit (RAA) Program
  - Launched another round on 23<sup>rd</sup> March
  - 11 TLDs from 3 geographic regions were selected
- ⦿ Completed the interviews to identify additional standing panelists for the Public Interest Commitment (PIC) Dispute Resolution
- ⦿ Discussions ongoing with registrars and various community constituencies regarding the abuse report handling requirements under Section 3.18 of the 2013 RAA

# IANA Stewardship Transition & Enhancing ICANN Accountability

## Meetings held in Istanbul 23-27 March

### CCWG-Accountability

- 42** Members/participants
- 3** Advisors
- 2** External Counsel

### Outcomes:

Substantial progress in areas:

1. Enhance the independent review process
2. Establish fundamental bylaws
3. Mechanisms for community empowerment
4. Enhance the reconsideration processes

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### CWG-Stewardship

- 35** Members/participants
- 1** External Counsel

### Outcomes:

Progress towards converging on a single solution

- ⊙ Reduced possible number of potential structures/models
- ⊙ Topic-specific Design Teams reported progress in several issue areas

## 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 job.

- ◉ Working Group membership pilot project
  - Solution to manage onboarding in Generic Names Supporting Organization <http://goo.gl/8f2Z75>
- ◉ Online collaboration tools and support
- ◉ NextGen@ICANN- Enhanced the program <http://bit.ly/nextgenicann>
- ◉ ICANN Learn- approx. 1,200 active users per month <http://learn.icann.org>
- ◉ Fellowship Program
  - ICANN 52- 219 applications; 47 participated
  - ICANN 53- 344 applications; 50 selected
  - ICANN 54- Now accepting applications until 15 May



# 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.

## MORE INFORMATION

<http://www.intgovforum.org/cms/>  
<https://www.netmundial.org>

- ⦿ Preparations for World Summit on the Information Society (WSIS +10)
  - Outreach and dialog with the missions in NY in advance of the dialog in the United Nations General Assembly (UNGA)
- ⦿ Preparations for Internet Governance Forum (IGF)
  - Ongoing support from ICANN to the IGF Trust Fund and to the IGFSA
- ⦿ NETMundial Initiative
  - NETMundial Coordination Council meeting held 31 March at Stanford University
    - Communique:  
<https://www.netmundial.org/blog/secretariat/netmundial-initiative-stanford-communicu%C3%A9>
  - Draft of Terms of Reference in public comment:  
<http://comments.netmundial.org/>

A world map where the continents are defined by a network of white dots connected by thin white lines. The background is a solid teal color. The map is centered and occupies most of the frame.

# **Policy Update**

David Olive, VP Policy Development  
Support

# Generic Names Supporting Org. (GNSO)

## Q3 HIGHLIGHTS

1 motion adopted

11 Policy Development processes underway

50 GNSO sessions held at ICANN52

### MORE INFORMATION

<https://www.icann.org/policy>

<http://gnso.icann.org/en/>

## New areas of work in Q3

- ⦿ Commenced discussions on a possible Cross-Community Working Group to deal with new gTLD Auction Proceeds

## Completed work in Q3

- ⦿ Inter-Registrar Transfer Policy Part D (adopted by ICANN Board)
- ⦿ Adoption of the recommendations of the GAC-GNSO Consultation Group in relation to Issue Scoping on a trial basis
- ⦿ Name Collision
- ⦿ Input to Board Working Group Report on Nominating Committee
- ⦿ Response to Board concerning future gTLD Application Rounds
- ⦿ Response concerning IDN Implementation Guidelines

# Country-Code Names Supporting Org. (ccNSO)

## Q3 HIGHLIGHTS

5 cross-community  
working groups  
(chartering organization)

9 ccNSO working groups

25 Council decisions

2 standing Council  
committees

20+ sessions at ICANN 52

- ⦿ Continued focus on IANA stewardship transition and ICANN accountability
- ⦿ New committee: review internal rules and guidelines
- ⦿ Adoption of Interpretation of Policy Documentation (RFC 1591) for delegation, revocation and transfer (re-delegation) of country- code Top Level Domains (ccTLDs); submitted to ICANN Board

## MORE INFORMATION

<https://www.icann.org/policy>

<http://ccnso.icann.org/>



# Number Resource Org. (NRO) & Address Supporting Org. (ASO)



**LACNIC  
Appointed  
New CEO**

Oscar Alejandro  
Robles Garay



**AFRINIC  
Appointed  
New CEO**

Alan Barrett

## **MORE INFORMATION**

<https://www.nro.net/>

<https://aso.icann.org/>

- ◉ LACNIC appointed new CEO, Oscar Alejandro Robles Garay
- ◉ AFRINIC appointed new CEO, Alan Barrett
- ◉ RIR Meetings in all regions upcoming, Policy discussions in areas of:
  - IPv4 and IPv6 allocation qualifications
  - Out of region transfer of IP addresses
  - Modification of AS number qualifying
- ◉ 2015 ASO Work Plan adopted, Board Seat 9 selection process underway
- ◉ RIR communities continuing to discuss transition implications, along with ICANN Accountability considerations
- ◉ Coordinating with IETF on protocol-parameter registry considerations for a post-NTIA managed IANA



# Internet Engineering Task Force (IETF)

## HIGHLIGHTS\*

78 Request For Comments published

572 new Internet Drafts published

1,225 Internet drafts updated

4 new Working Groups formed, 8 concluded

## Internet Engineering Task Force (IETF)

- ⦿ Develops and maintains standards for technologies used to provide Internet service or to provide services over the Internet
- ⦿ Technical standards published for registration data access protocol (RFCs 7480-7485)
- ⦿ Internet Architecture Board (IAB) issued joint statement with ICANN Root Server System Advisory Committee confirming the ongoing liaison relationship

\*9 November 2014 – 22 March 2015

## MORE INFORMATION

<https://www.ietf.org/tao.html>

<https://www.ietf.org/proceedings/92/progress-report.html>

# Internet Engineering Task Force (IETF)

## Preparations for IANA Stewardship Transition

- ⦿ The IANA PLAN working group was formed to tackle the IANA Stewardship Transition for IETF
- ⦿ The IANA PLAN working group has produced one Internet-draft and that document passed IESG approval and was sent to ICG

\*9 November 2014 – 22 March 2015

## MORE INFORMATION

- IANA Department Report at IETF 92  
<http://goo.gl/cxM7Ge>
- IETF 92 Proceedings  
<http://goo.gl/GWtzHW>
- IETF Structure and Internet Standard Process  
<http://goo.gl/xwL4SE>

## IETF and ICANN

- ⦿ IETF and the ICANN's IANA Department work together on protocol/parameter matters
- ⦿ IANA Dept. reviewed Internet Drafts during the Internet Engineering Steering Group's (IESG) consideration phase to see if any IANA actions required prior publication





# **Management Update**

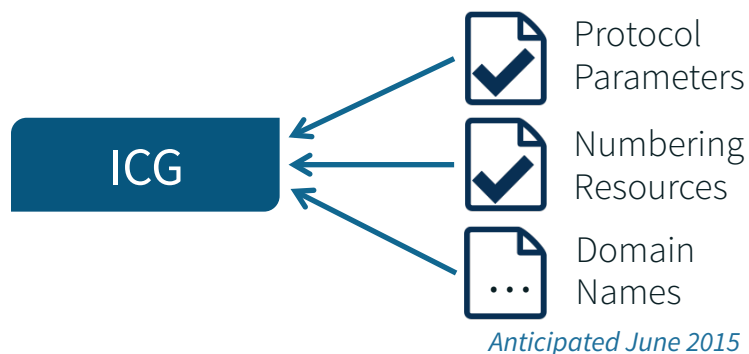
Tarek Kamel, Sr. Advisor to the  
President, Government Engagement

# Executive Summary

- ◉ IANA Stewardship Transition & Enhancing ICANN Accountability update
- ◉ Information Technology update
- ◉ Global Domains Division (GDD) update
- ◉ Contractual Compliance update
- ◉ Stakeholder engagement and outreach activities
- ◉ Spotlight on Europe & Civil Society

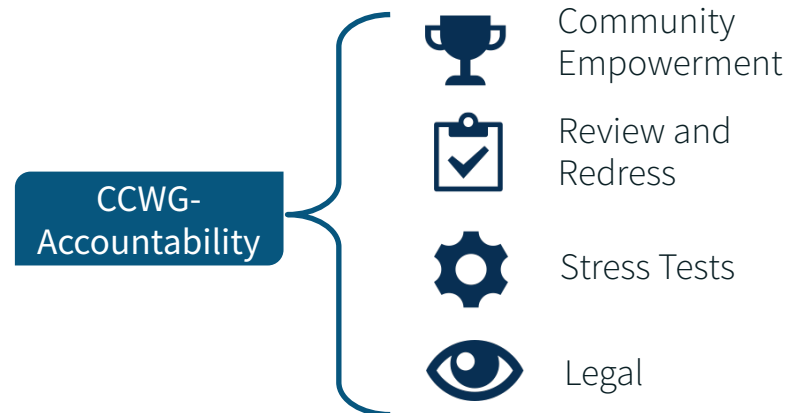
# Current Landscape


## IANA STEWARDSHIP TRANSITION



Cross Community Working Group to develop an IANA Stewardship Transition Proposal on Naming Related Functions (**CWG-Stewardship**).

## ENHANCING ICANN ACCOUNTABILITY



 7 Advisors to bring global best practices

**The CCWG-Accountability is very close to completing its first draft recommendations, which will then be posted for public comment.**



# Community Participation to Date

**200**

Meetings/Calls in the Working Groups

**250+**

Events about the IANA Stewardship Transition and Enhancing ICANN Accountability processes around the world

**365**

Hours spent in Working Group meetings/calls

**17200**

Mailing list exchanges

**8**

Working Group Face to Face Meetings

**35**

Publicly archived mailing lists discussing the Transition

# Information Technology Update

## WHY IT'S IMPORTANT

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.



Data security



Software security  
initiative



Development and  
testing outsourced

# GDD: Security, Stability and Resiliency Technology Update

## WHY IT'S IMPORTANT

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.

- ⦿ DNSSEC Root Key Rollover
  - Held the first face-to-face meeting of the Root Key Signing Key Rollover Design Team at the Dallas IETF
  - Instituted weekly Design Team conference calls exploring issues that may impact our ability to update the root KSK

# GDD: New gTLD Program

## WHY IT'S IMPORTANT

The New gTLD Program is the Internet's largest expansion ever, introducing hundreds of new top-level domain names which could become available in the next few years.

The New gTLD Program is meant to enhance competition, innovation and choice.

99  
strings  
delegated  
In FY15 Q3  
  
578 total\*

140  
Registry Agreements  
Signed  
  
873 total\*

198 contention sets resolved  
of initial 233

- Vast majority have "self-resolved"
- 13 sets resolved via auction (ICANN's method of last resort)
- Auction net proceeds to date ~ \$58.8M

Auction proceeds  
are segregated from  
ICANN's budget

- The community will be consulted as to how these funds should be used

## MORE INFORMATION

<http://newgtlds.icann.org>

\*as of 31 March

# GDD: Internationalized Domain Name (IDN) Program Update

## WHY IT'S IMPORTANT

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

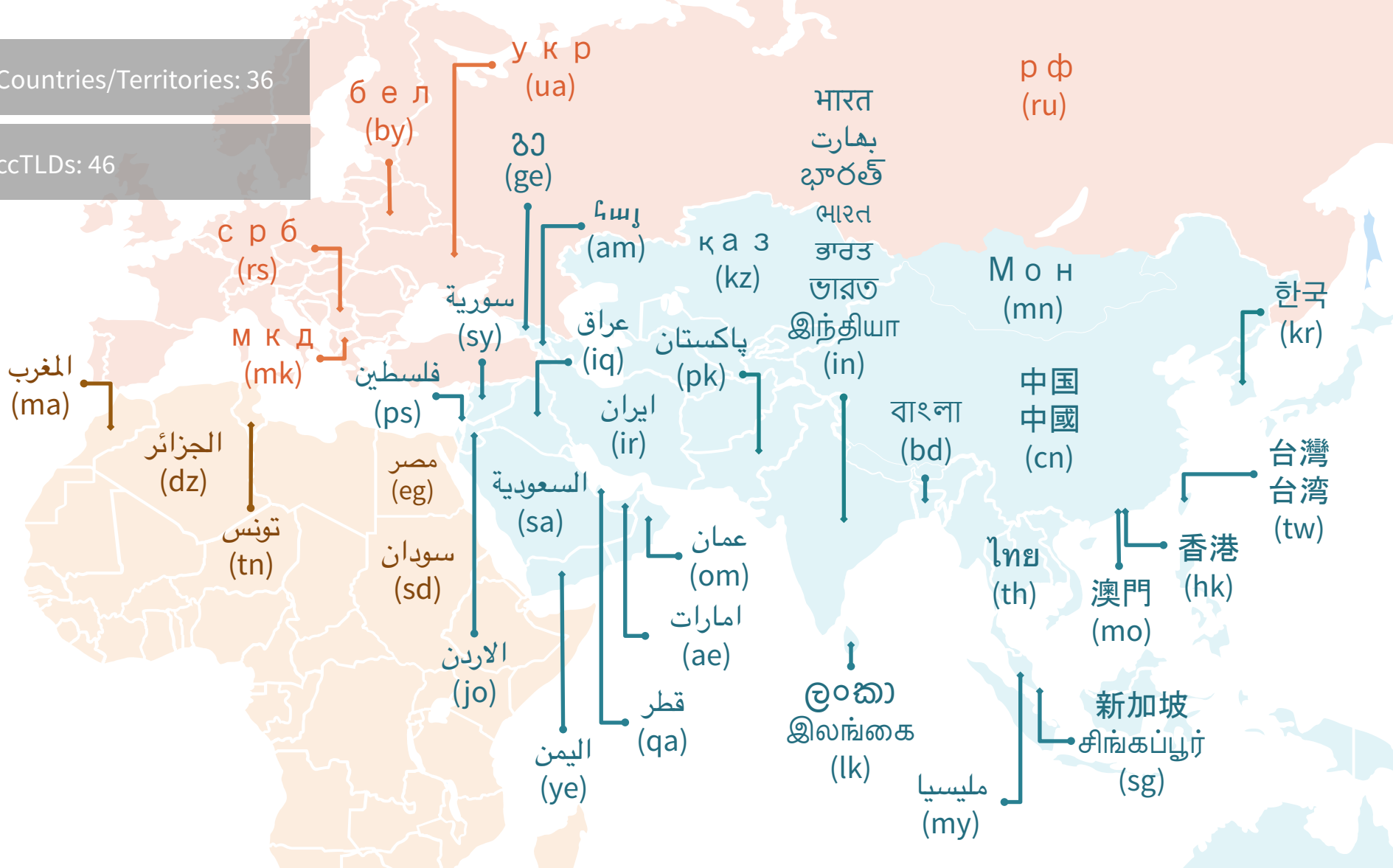
IDN ccTLDs allow countries and territories to represent their respective names in scripts other than US-ASCII characters.

- ⦿ Internationalized Domain Name (IDN) Top Level Domains (TLDs) Program
  - Community-based panels for different scripts to develop rules for forming IDN TLD labels – ensuring linguistic expression with secure and stable solution
  - Arabic community completed work; Chinese and Japanese communities making good progress; Armenian, Cyrillic, Korean, Neo-Brahmi communities organized; Others initiating work
- ⦿ IDN country-code Top Level Domains (ccTLDs) Process
  - Completed five years of implementation
  - 46 IDN ccTLD labels successfully evaluated for 36 countries and territories; Armenia and Macao most recently announced



# IDN Country Code Top-Level Domains

Countries/Territories: 36  
ccTLDs: 46



# Universal Acceptance Update

## WHY IT'S IMPORTANT

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.

- ⦿ The Universal Acceptance Steering Group (UASG) has been formed
- ⦿ UASG will undertake activities to promote the Universal Acceptance of all valid domain names and email addresses
- ⦿ Includes all ASCII domain names, ASCII email addresses, IDN domain names and IDN email

## MORE INFORMATION

<https://community.icann.org/display/TUA/TLD+Universal+Acceptance+Home>

<https://www.icann.org/universalacceptance>

# GDD: IANA Tickets

## FY15 Q3 data compared to FY15 Q2 data

### NAMES

395 requests

↑ 51% increase  
from FY15 Q2

### PROTOCOL PARAMETERS

1,084 requests

↑ 13% increase  
from FY15 Q2

### NUMBERS

1 request

↑ 0 in FY15 Q2

### GENERAL

314 requests

↑ 21% increase  
from FY15 Q2

## Q3 TOTAL

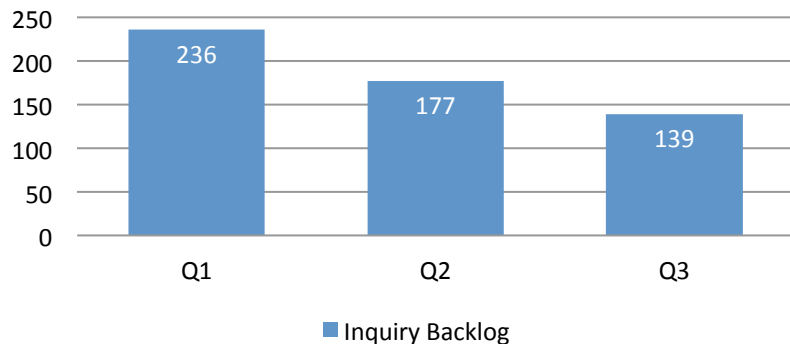
1,794 requests

↑ 21% increase  
from FY15 Q2

# GDD: Customer Service Center Tickets

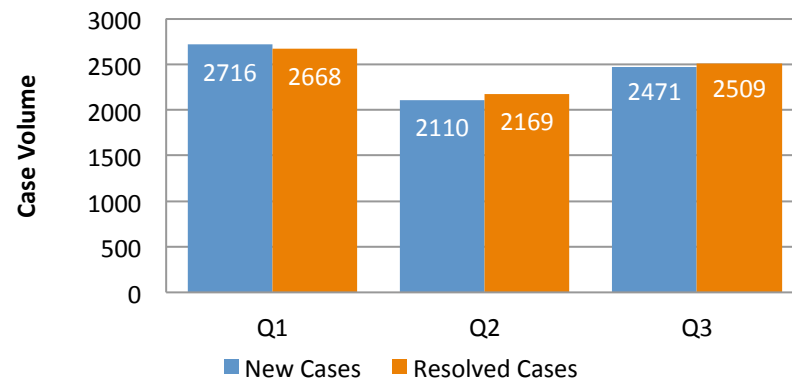
## Case Backlog

Quarter End Volume Trending



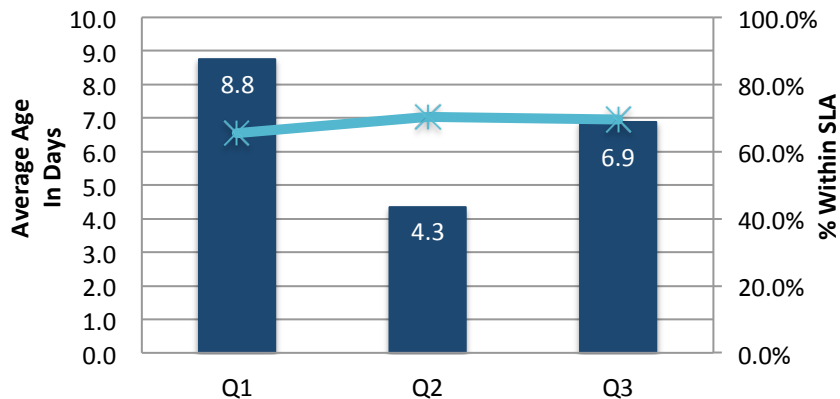
## Case Volume Trending

Cases Created & Resolved



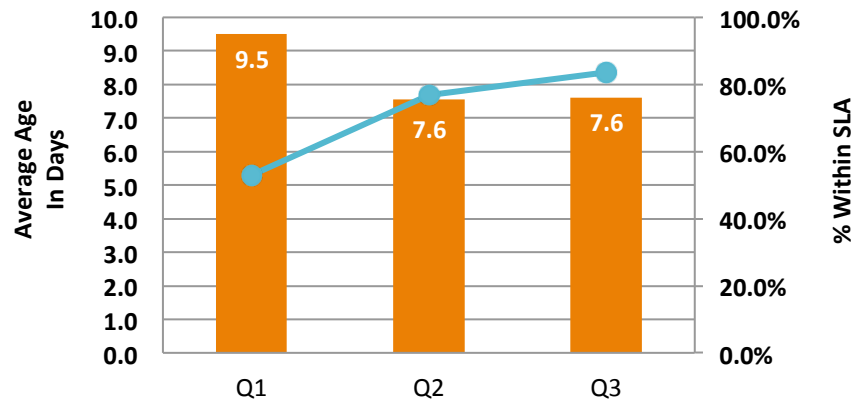
## Status Frequency

Communication & Updates



## Resolution Time Target

Case Aging



# GDD: Global Customer Service Center

**Go-live: 1 June 2015**



**Los Angeles, Istanbul,  
Singapore**

24x5 SUPPORT



**Multi-language**

Arabic, Chinese, English, French,  
Portuguese, Russian and Spanish

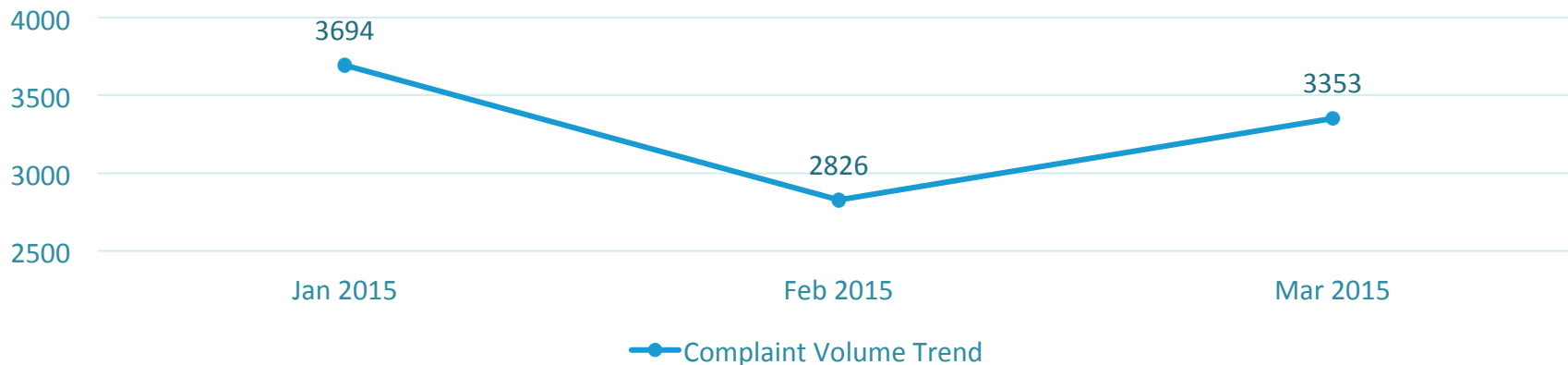


**Email | Phone | Web**



# Contractual Compliance – Q3 Metrics

## Complaint Volume



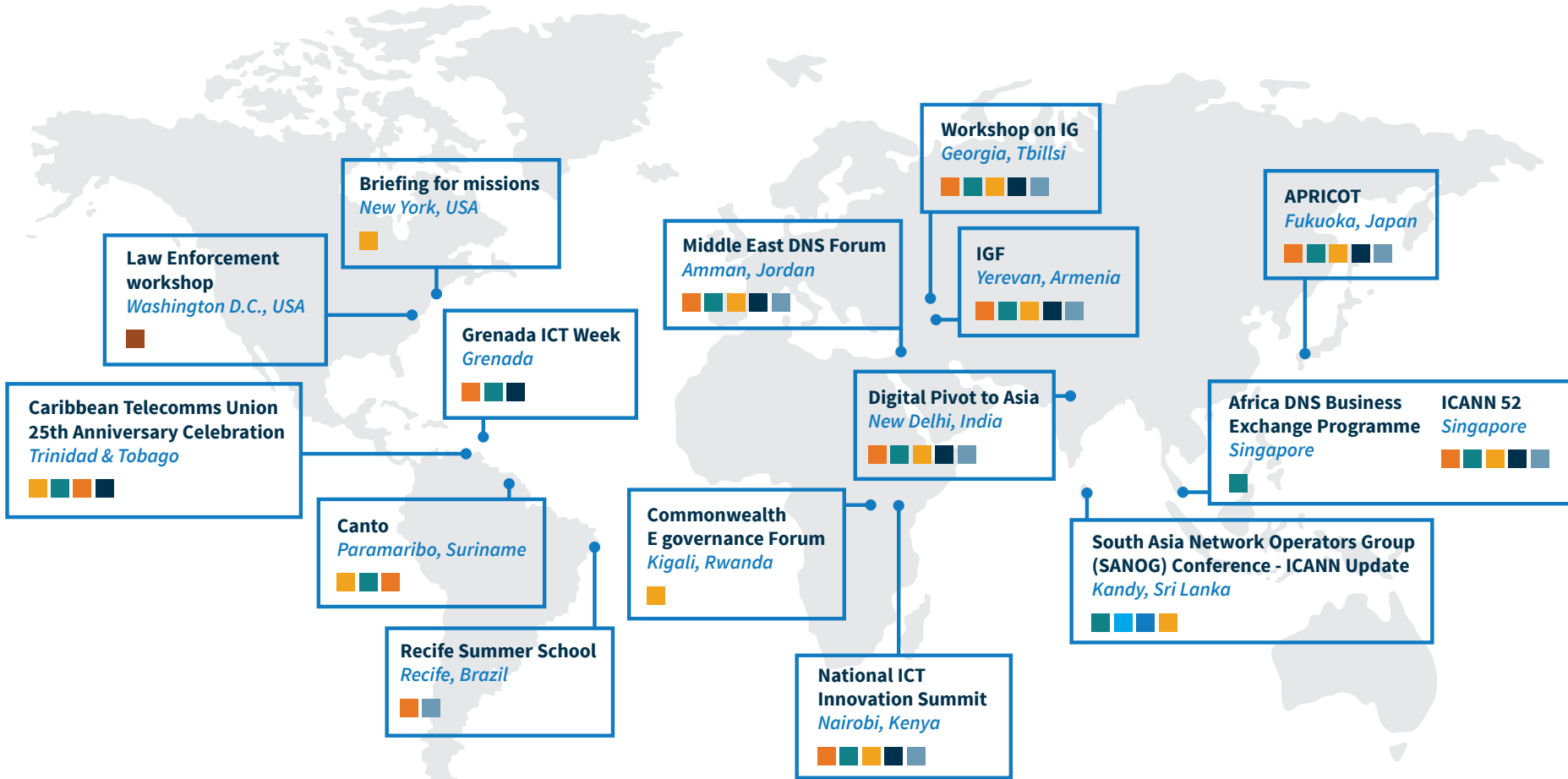
Total Volume	Jan 2015	Feb 2015	Mar 2015	Q3 Total
Total New	3,694	2,826	3,353	9,873
Total Closed	3,806	3,727	3,179	10,712

Closure Rates [Target >= 55%]	Jan 2015	Feb 2015	Mar 2015	Q3 Average
New Tickets	48%	65%	64%	59%
All Tickets	65%	78%	72%	71%

Turnaround Time (days)	Jan 2015	Feb 2015	Mar 2015	Q3 Average
Received-to-Closed	11.8	10.9	8.8	10.5

**MORE INFORMATION:** <https://features.icann.org/compliance>

# Global Stakeholder Engagement & Outreach



**STAKEHOLDER GROUPS**

<span style="color: orange;">■</span> BUSINESS	<span style="color: darkblue;">■</span> CIVIL SOCIETY	<span style="color: lightblue;">■</span> NETWORK OPERATORS
<span style="color: teal;">■</span> TECHNICAL	<span style="color: grey;">■</span> ACADEMIA	<span style="color: brown;">■</span> LAW ENFORCEMENT
<span style="color: yellow;">■</span> GOVERNMENT	<span style="color: blue;">■</span> DNS INDUSTRY	

# Spotlight on Europe & Civil Society

## STAKEHOLDER GROUPS

- BUSINESS
- TECHNICAL
- GOVERNMENT
- CIVIL SOCIETY
- ACADEMIA

**Civil Society workshop and webinar**  
Brussels, Belgium

**International Institute of Communications (IIC)**  
Brussels, Belgium

**IANA For Business Associations- AmCham EU, CIIA Europe, Digital Europe**  
Brussels, Belgium

**Digital Europe**  
Brussels, Belgium

**Not-for-Profit Operational Concerns**  
London, England

**UK Multi-Stakeholder Advisory Group on IG L-ROOT**  
London, England

**International Institute of External Affairs**  
Dublin, Ireland

**Agora des Directeurs Juridiques**  
Paris, France

**AFNIC-ICANN event**  
Paris, France

**IGF**  
Paris, France

**ITU Council Working Group on Internet Policy**  
Geneva, Switzerland

**Days of Internet Domains**  
Belgrade, Serbia

**Domain Name System event**  
Lisbon, Portugal

**Domain Name System event**  
Bucharest, Romania

**Mobile World Congress**  
Barcelona, Spain

**University of Barcelona**  
Barcelona, Spain

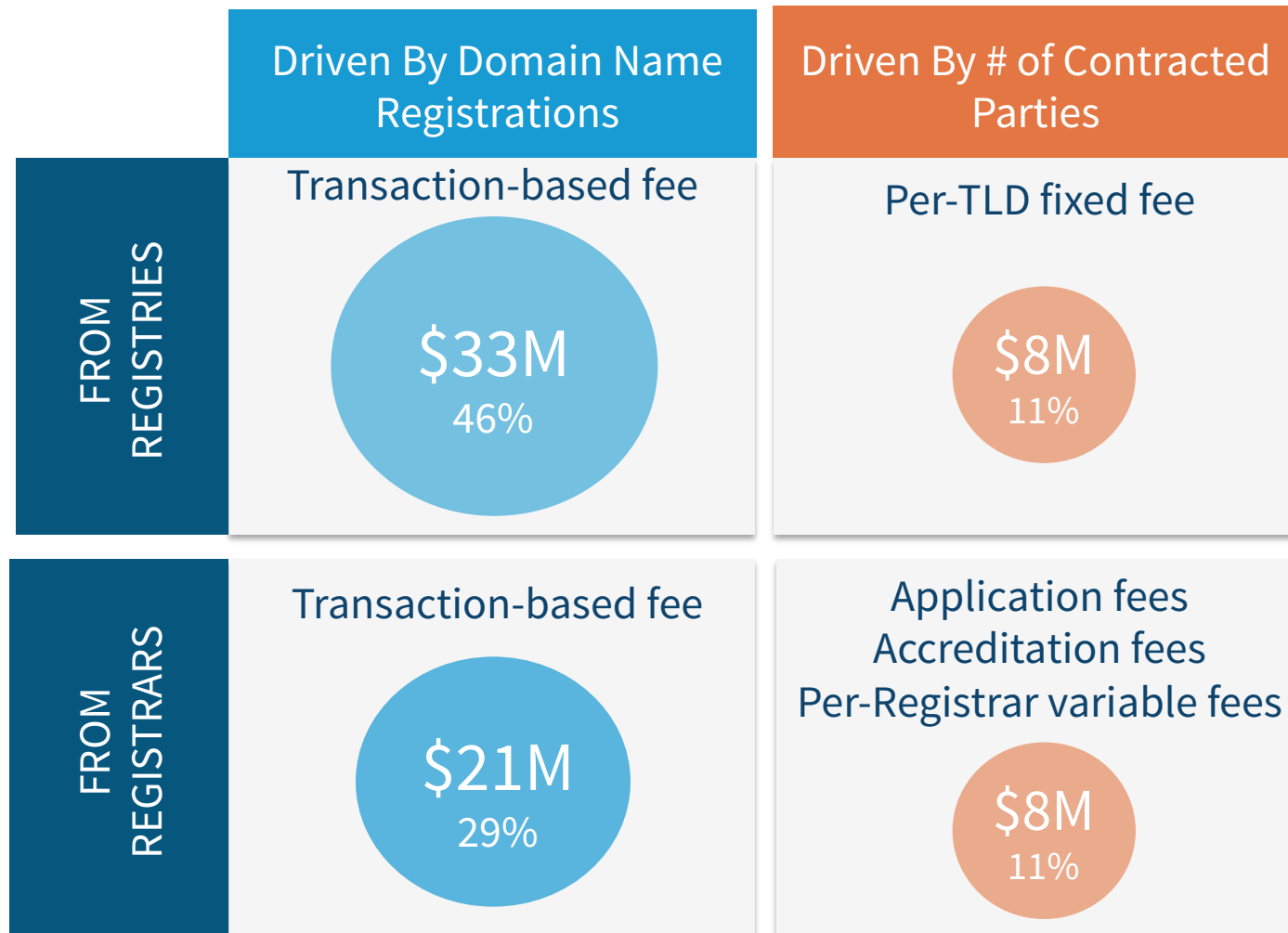
**BCG Report on Greasing the Wheels of the Internet Economy**  
Rome, Italy

A world map where the continents are defined by a network of white dots and connecting lines, set against a dark blue background. The dots vary in size, and the lines are thin and light blue.

# **Financial Update**

Xavier Calvez, CFO

# FY15 Revenue - ICANN Ops – 9 months

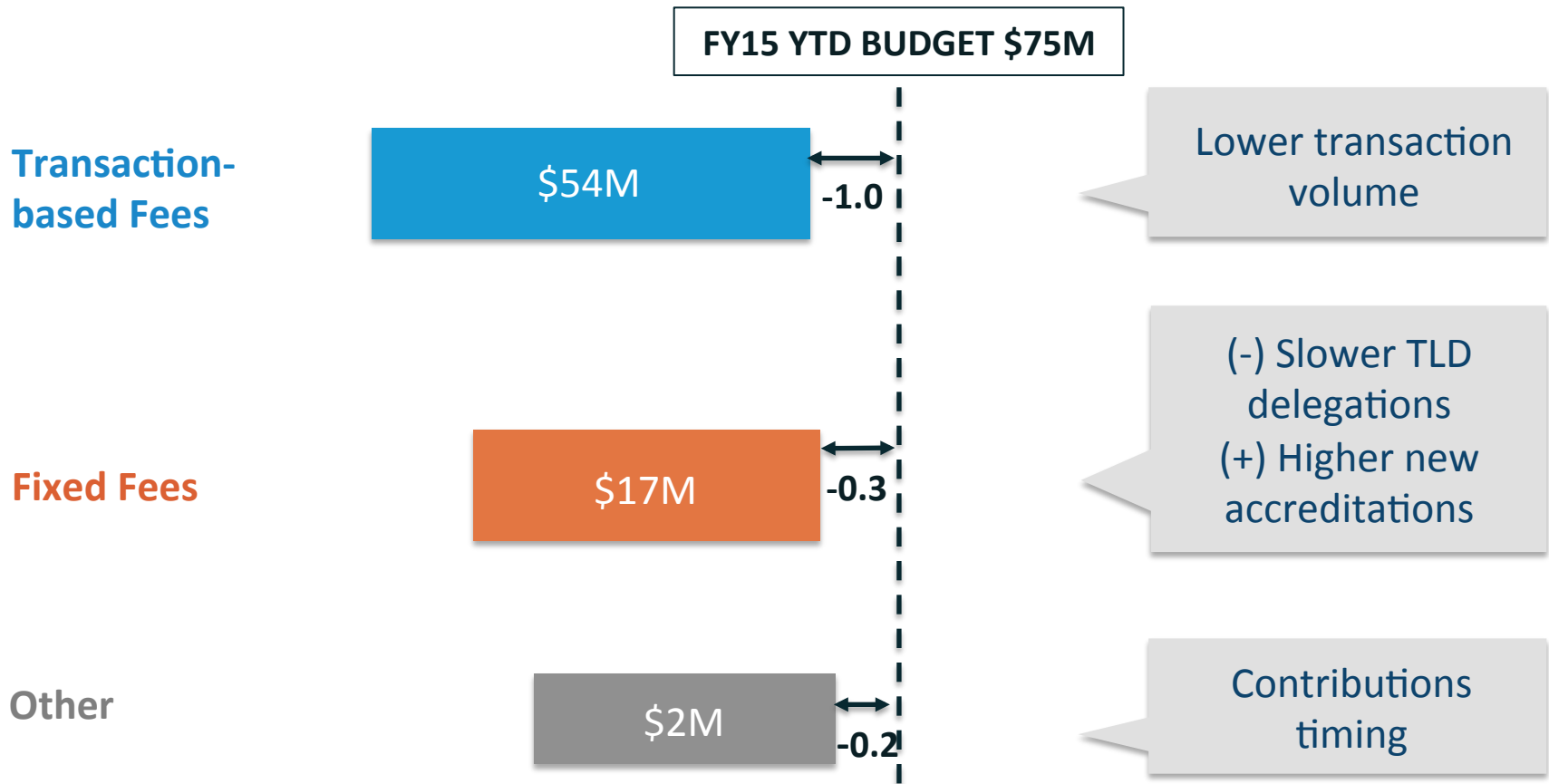


OTHER INCOME: Contributions and sponsorships \$2M (3%)

In millions, USD - unaudited

# FY15 Revenue vs Budget- ICANN Ops – 9 months

Revenue softness confirmed during Q3, driven by continued slower new TLD delegations impacting fixed fee revenue.

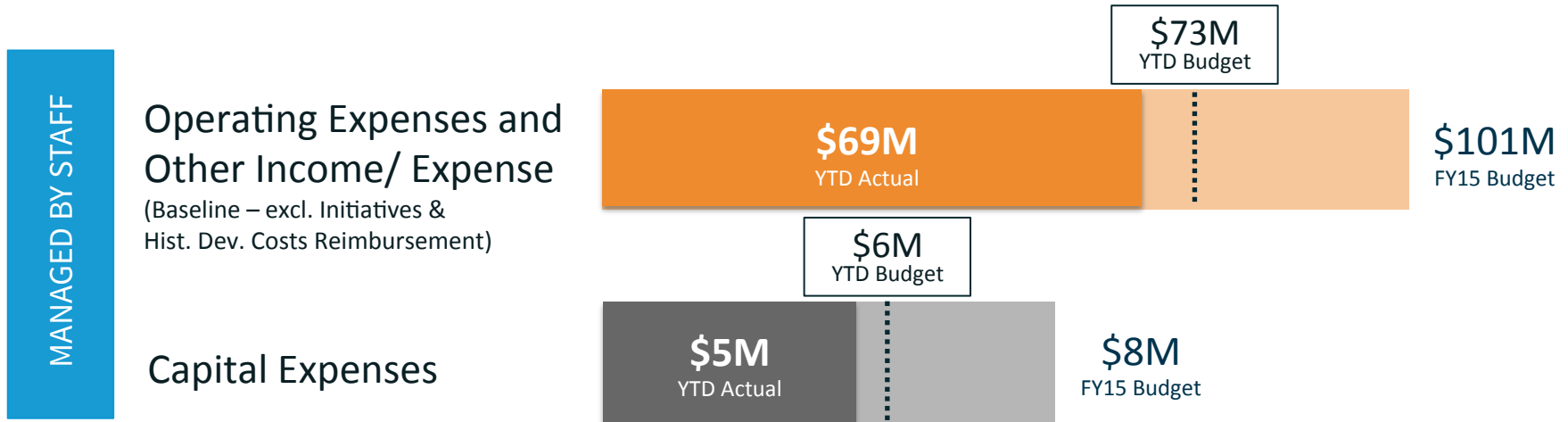


**Total YTD Actual Revenue: \$73M**

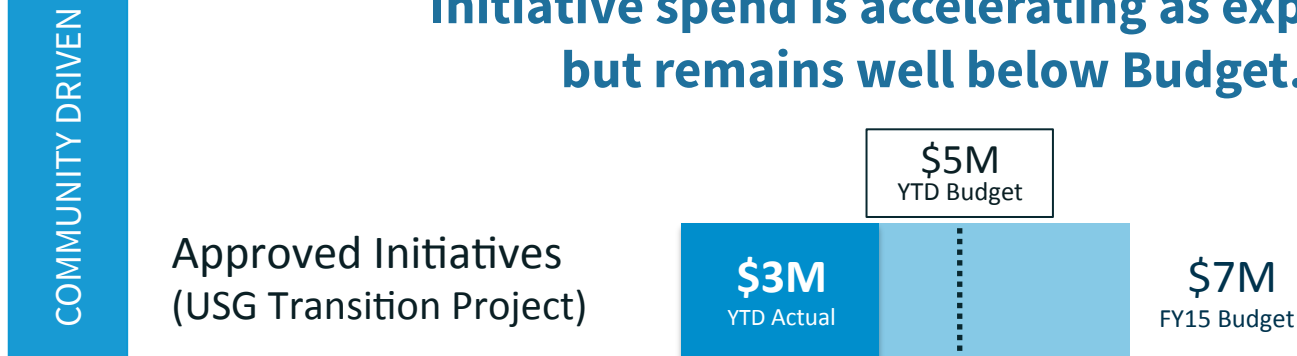


# FY15 Expenses vs. Budget – ICANN Ops – 9 Months

## Careful management of baseline expenses.



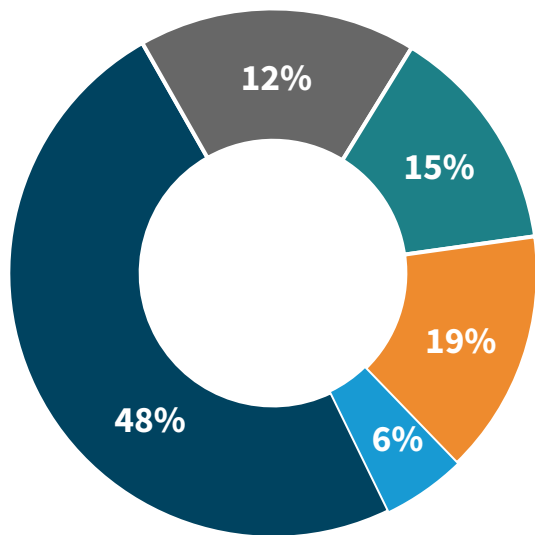
## Initiative spend is accelerating as expected but remains well below Budget.



In millions, USD - unaudited

# FY15 YTD Baseline Operating & Capital Expenses – ICANN Ops

**Cost control and delayed discretionary expenses keep baseline expenses below budget.**



**Total Baseline Operating & Capital Expenses: \$74M**

	Actual	Budget	Better (+) / Worse (-)
<b>Personnel</b>	\$35M	\$36M	+5%
<b>Travel &amp; Meetings</b>	\$9M	\$9M	---
<b>Prof. Svcs.</b>	\$11M	\$13M	+15%
<b>Admin.</b>	\$14M	\$15M	+3%
<b>Capital</b>	\$5M	\$6M	+20%
<b>Total</b>	<b>\$74M</b>	<b>\$79M</b>	<b>+8%</b>

Cost savings  
Task force

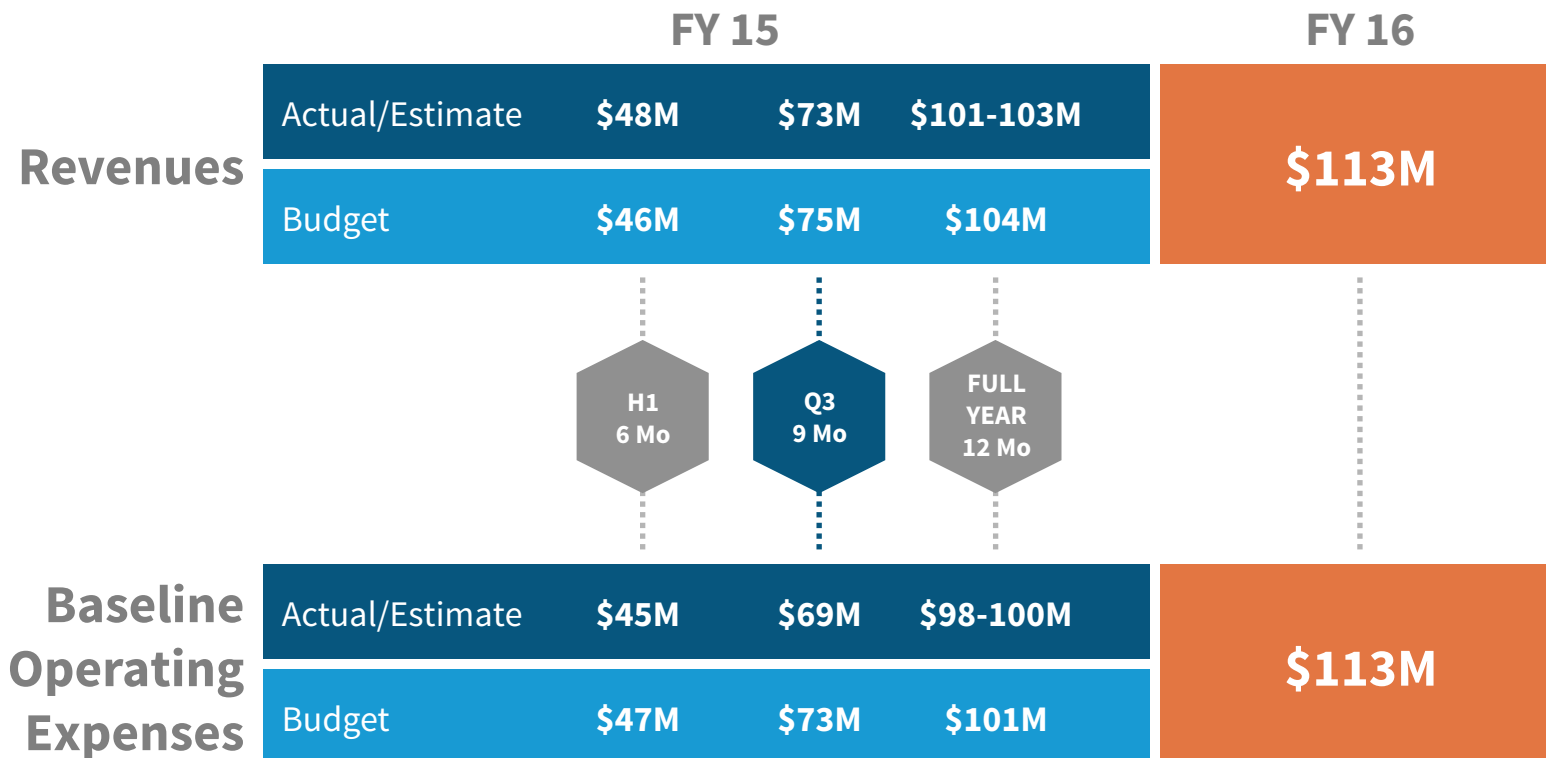
Monthly budget  
monitoring

Hiring plan  
revision

In millions, USD - unaudited

# FY15 / FY16 Outlook

**Budget remains balanced, with revenues and expenses expected to be lower than budget.**

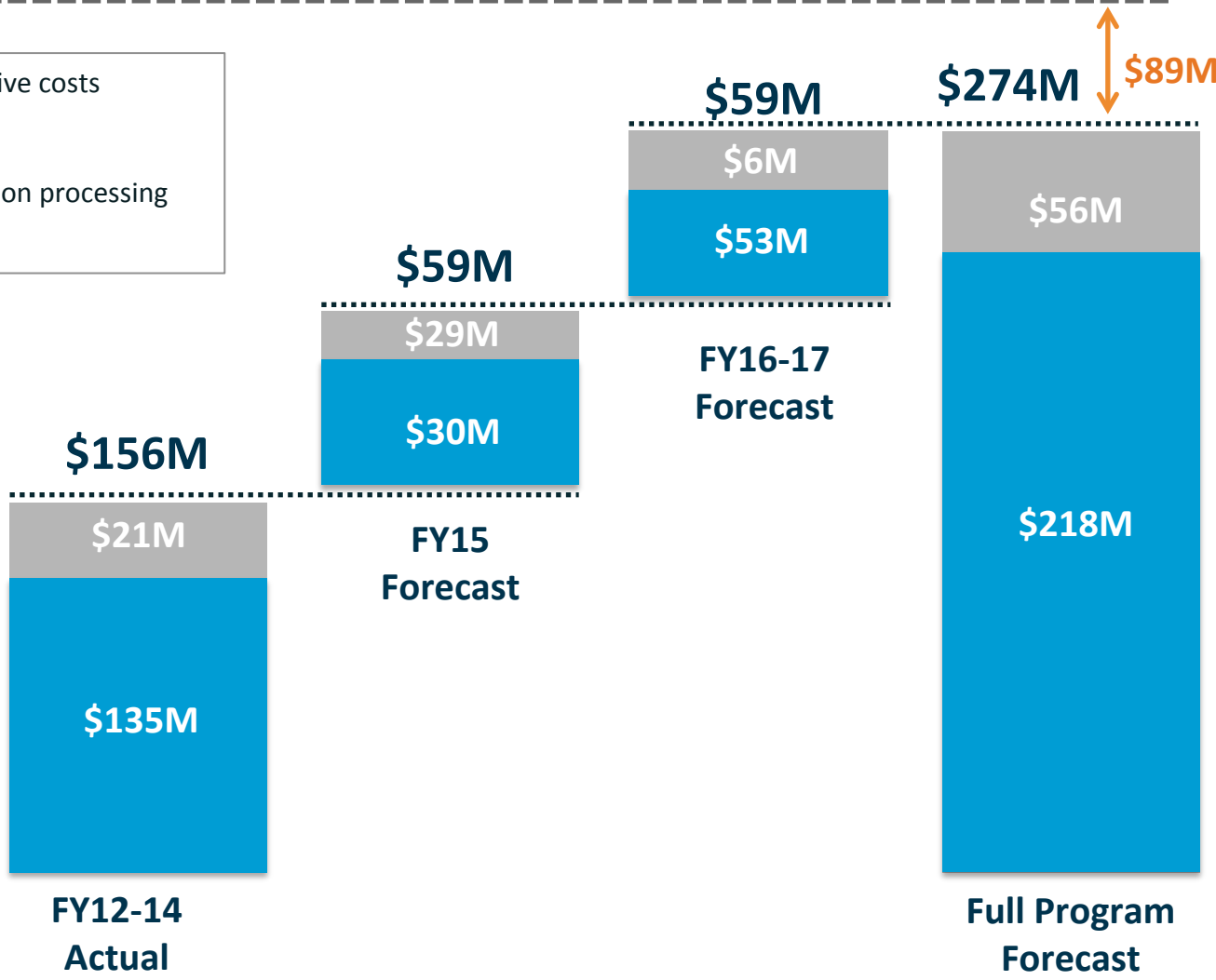
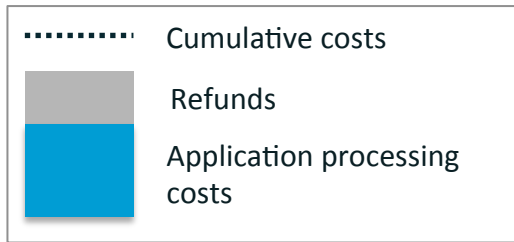


In millions, USD - unaudited

# New gTLD Program – Multi-year Forecast

Application fees collected

\$362M



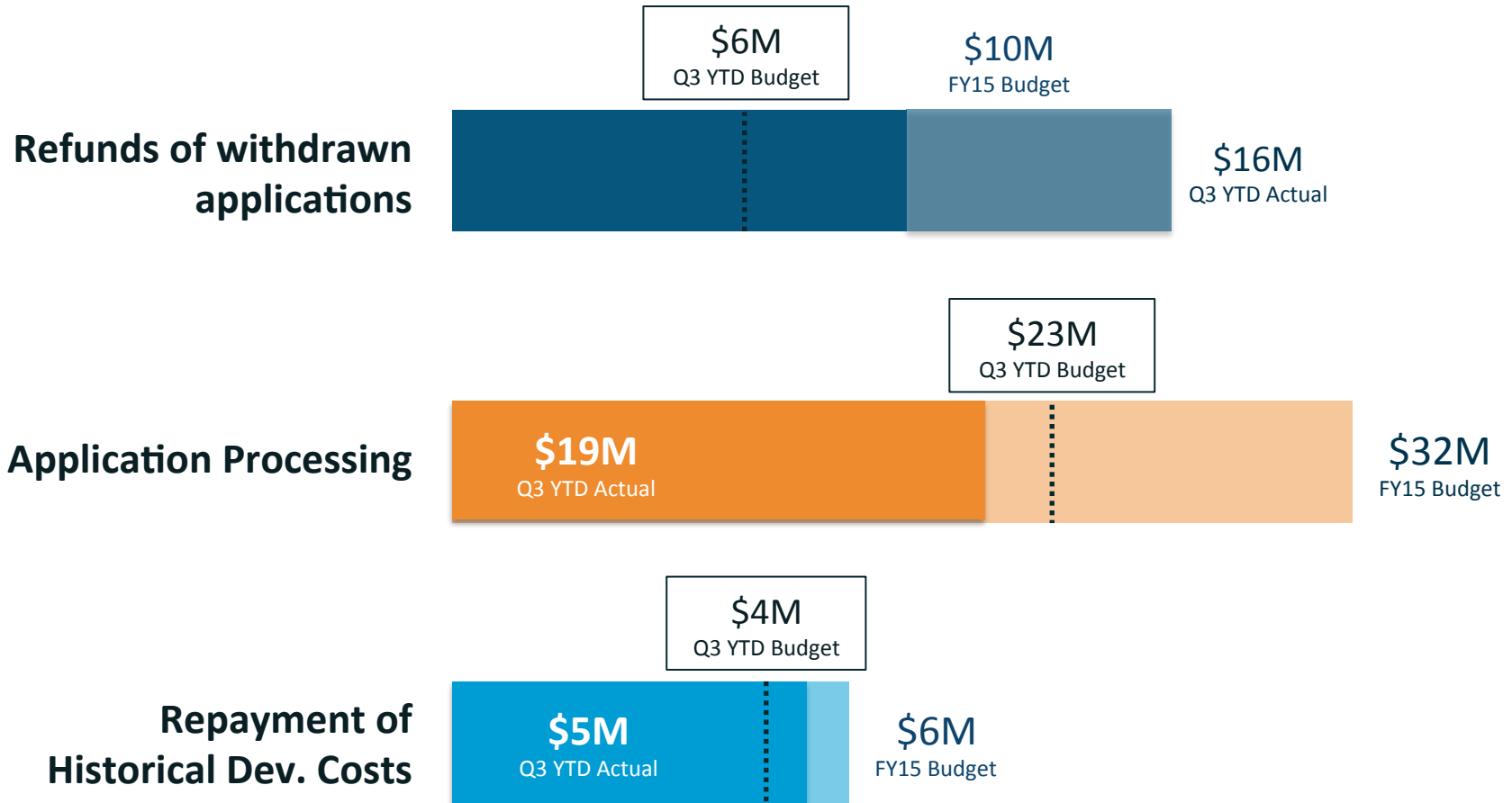
Remaining funds for unexpected expenses (including risks)

In millions, USD - unaudited

**FY12-14 Actual**

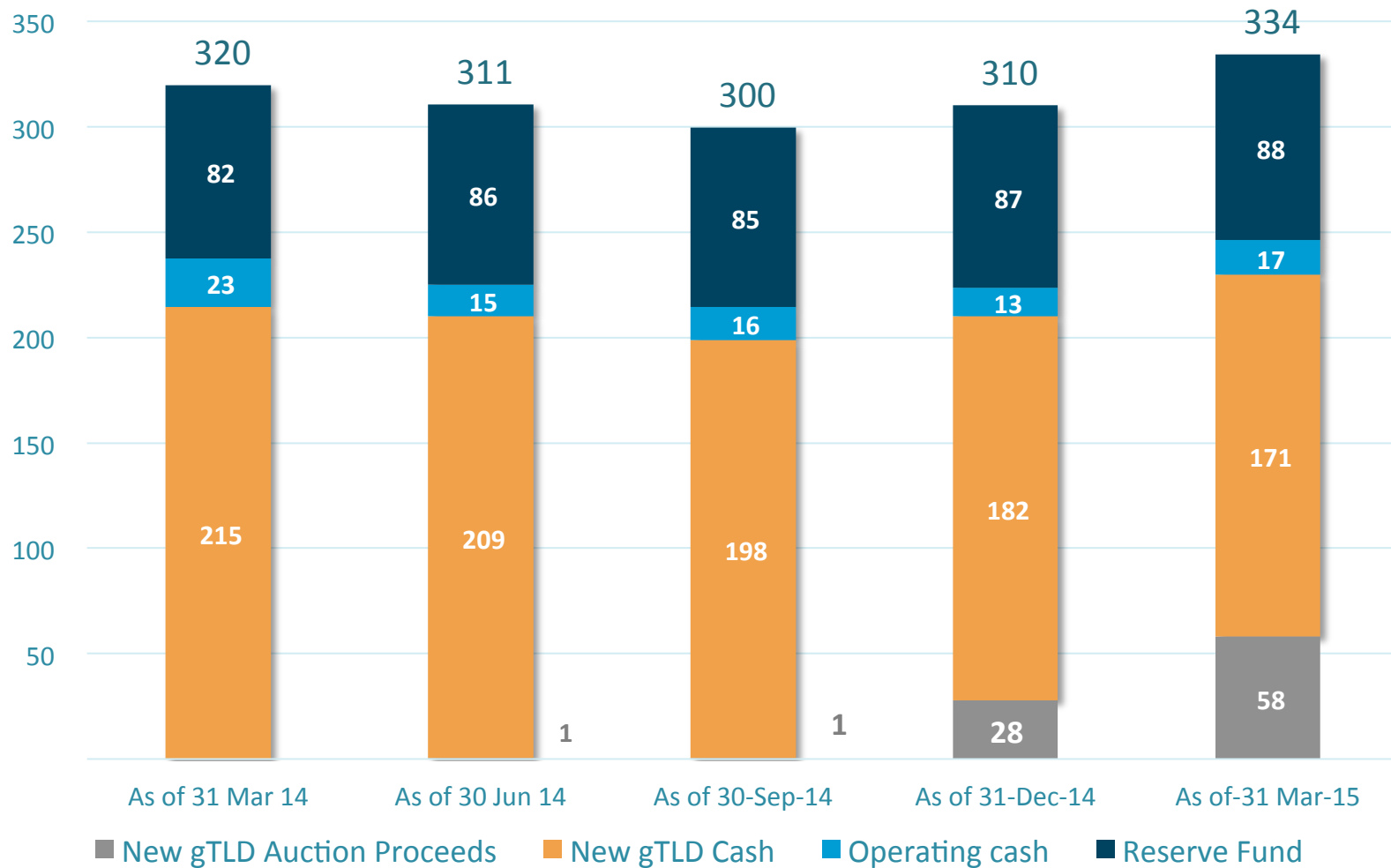
**Full Program Forecast**

# FY15 Q3 YTD Progress vs. Budget – New gTLD Program



In millions, USD - unaudited

# Funds Under Management



In millions, USD - unaudited



# Thank You and Questions



SAVE THE DATE

Next Q4 Stakeholder Call:  
20 August 1400 UTC

Email: [engagement@icann.org](mailto:engagement@icann.org)

Website: <https://www.icann.org/resources/pages/quarterly-reports-2014-11-13-en>



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