



Q2 Stakeholder Call

29 January, 2015 | For quarter ending 31 December, 2014

Agenda

- ⦿ President's Overview (10 min) - Fadi Chehadé
- ⦿ Policy Update (10 min) – David Olive
- ⦿ Management Update (15 min) – Sally Costerton
- ⦿ 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

Overview

- ⦿ Second 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 Q2 ACHIEVEMENTS

204 Registry Agreements signed

65 TLDs delegated

WHOIS 2nd annual report

- Whois.icann.org
- Consolidated lookup tool
- Accuracy reporting system pilot

- ⦿ Posted Five-Year Operating Plan for public comment; rolled out FY16 Operating Plan and Budget process
- ⦿ Half-Year financials- revenues slightly higher than budget, and expenses slightly lower, offset by trending differences vs budget
- ⦿ Published information on ICANN's Risk Management work in response to request from CCWG on Enhancing ICANN Accountability
 - <https://www.icann.org/en/system/files/files/summary-risk-management-process-23jan15-en.pdf>
- ⦿ Continue to strengthen ICANN's cyber-security
- ⦿ ICANN staff
- ⦿ Strengthened Executive Management team- improved coordination and empowerment for decision-making

Contractual Compliance

CONTRACTUAL COMPLIANCE AUDIT

312 Registrars in audit program scope

4 Registrars were breached due to not providing audit information

14 TLDs participated in Registry Agreement Audit Program

- ⦿ 3rd year of Contractual Compliance Audit Program-completed *request for information* phase
- ⦿ New Registry Agreement Audit Program completed
 - In Q2, four Registries with initial deficiencies noted in their audit reports have completed remediation efforts
 - Audit report to be published
- ⦿ Defining the boundaries of contractual compliance and coordinating with the community on consumer safeguards

MORE INFORMATION

<https://www.icann.org/resources/pages/compliance-2012-02-25-en>

IANA Stewardship Transition

- ⦿ Global community is focused on the IANA Stewardship Transition with operational community proposals moving forward
- ⦿ NTIA has communicated that the transition proposal must have community support and address the following four principles:
 - ⦿ Support and enhance the multistakeholder model
 - ⦿ Maintain the security, stability and resiliency of the Internet DNS
 - ⦿ Meet the needs and expectations of the global customers and partners of the IANA services
 - ⦿ Maintain the openness of the Internet
- ⦿ NTIA also specified it will **not** accept a proposal that replaces the NTIA role with a government-led or intergovernmental organization solution
- ⦿ This is a top priority project; but our number one mission is security, stability and resiliency of the Internet Domain Name System

IANA Stewardship Transition

DOMAIN NAMES

ccNSO, GNSO

Held face-to-face meeting for the Community Working Group (CWG) in Frankfurt to work on their proposal. The proposal was posted for public comment on 1 December.

View proposal:

<https://www.icann.org/en/system/files/files/cwg-naming-transition-01dec14-en.pdf>

NUMBER RESOURCES

NRO, ASO, RIRs

The five Regional Internet address Registries (RIRs) underwent community consultations in respective regions. From these consultations a CRISP Team was formed by the NRO which coordinated the proposal from the Numbers area.

View proposal:

<https://blog.apnic.net/wp-content/uploads/2015/01/ICG-RFP-Number-Resource-Proposal.pdf>

PROTOCOL PARAMETERS

IETF

Established IANAPLAN Working Group to draft proposal, which was discussed at IEFT 91 in mid-November, and held a “last call” for public comments in December.

View proposal:

<http://tools.ietf.org/html/draft-ietf-ianaplan-icg-response-09>

MORE INFORMATION

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

Enhancing ICANN's Accountability

Q2 ACHIEVEMENTS

Accountability cross-community working group formed

Cross-community working group charter developed / approved by Advisory Committees

- ⦿ Cross Community Working Group on Enhancing ICANN Accountability defined with two work streams:
- ⦿ **Work stream 1-** Focused mechanisms enhancing ICANN accountability that must be in place or committed to within the time frame of the IANA Stewardship Transition
- ⦿ **Work stream 2-** Focused on addressing accountability topics for which a timeline for developing solutions and full implementation may extend beyond the IANA Stewardship Transition

MORE INFORMATION

<https://www.icann.org/stewardship-accountability>

ICANN Accountability: Reviews

1

ORGANIZATIONAL REVIEWS (BYLAWS)

- ALAC
- ASO
- ccNSO
- GNSO
- Nominating Committee
- RSSAC
- SSAC

2

AFFIRMATION OF COMMITMENTS REVIEWS

- Accountability and Transparency
- Security, Stability, Resiliency of the DNS
- WHOIS Policy
- Competition, Consumer Trust, Consumer Choice

3

OTHER REVIEWS

- Reconsideration
- Ombudsman
- Independent Review Processes
- Other review mechanisms not mandated by Bylaws
- Technical Liaison Group
- Board of Directors

MORE INFORMATION

- <https://www.icann.org/resources/pages/accountability/accountability-en>
- <https://community.icann.org/display/prgrmatrt2impl/ATRT2+Implementation+Program+Home>

Q2 POLICY FACTS

14 public comment periods initiated

36 advice statements/ comments / inputs (28 GAC; 5 ALAC; 3 ccNSO)

2 SSAC documents (1 Advisory; 1 Report)

2 RSSAC documents (1 Advisory; 1 Statement)

4 new ALS organizations joined the At Large community for 180 total

- ⦿ Calendar for ICANN Planning process
 - Clarity on when community input is needed for strategic and operating plans
- ⦿ Working Group membership pilot project
 - Solution to manage onboarding in Generic Names Supporting Organization <http://goo.gl/8f2Z75>
- ⦿ Public Comments improvements implemented- per ATRT2 Recommendation 7
 - Standard comment period extended to 40 days and staff response reports completed within 2 weeks
- ⦿ NextGen@ICANN- 12 participated at ICANN 51
 - Enhancing the program: <http://goo.gl/Pm9IDM>
- ⦿ ICANN Learn- 1,500 active users per month
 - <http://learn.icann.org>
- ⦿ Fellowship program- 50 candidates for ICANN 52

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 an open and interoperable Internet.

- ⦿ Successfully participated in ITU Plenipotentiary '14 in Busan, South Korea
 - Partnered with Internet organizations to ensure smooth preparations
- ⦿ Preparations for World Summit on the Information Society (WSIS +10) and United Nations General Assembly (UNGA)
- ⦿ NETmundial Initiative launched
 - Inaugural Coordination Council was formed
 - First meeting of Coordination Council- **31 March**
 - <https://www.netmundial.org>
- ⦿ Continued support to Internet Governance Forum (IGF)
 - Donated \$50,000 of a wider ICANN commitment of \$330,000
 - <http://goo.gl/qMSWlZ>

MORE INFORMATION

Read more on the WSIS +10 Review <http://goo.gl/lJsS6e>

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)

Q2 HIGHLIGHTS

4 motions adopted

11 Policy Development processes underway

61 Sessions held at ICANN 51

New areas of work in Q2

- ⦿ Enhancing ICANN Accountability Cross-Community Working Group
- ⦿ Board-GNSO Council Expert Working Group Process Working Group
- ⦿ Name Collision
- ⦿ Cross-Community Working Group on Internet Governance

Completed work in Q2

- ⦿ Inter-Registrar Transfer Policy Part D (adopted by GNSO Council)
- ⦿ GNSO Council voted on improved Operating Procedures
- ⦿ Submitted letter to Board New gTLD Program Committee (NGPC) concerning protection of IGO-INGO identifiers

MORE INFORMATION

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

Country-Code Names Supporting Org. (ccNSO)

Q2 HIGHLIGHTS

5 cross-community working groups (chartering organization)

8 ccNSO working groups

23 Council decisions

2 standing Council committees

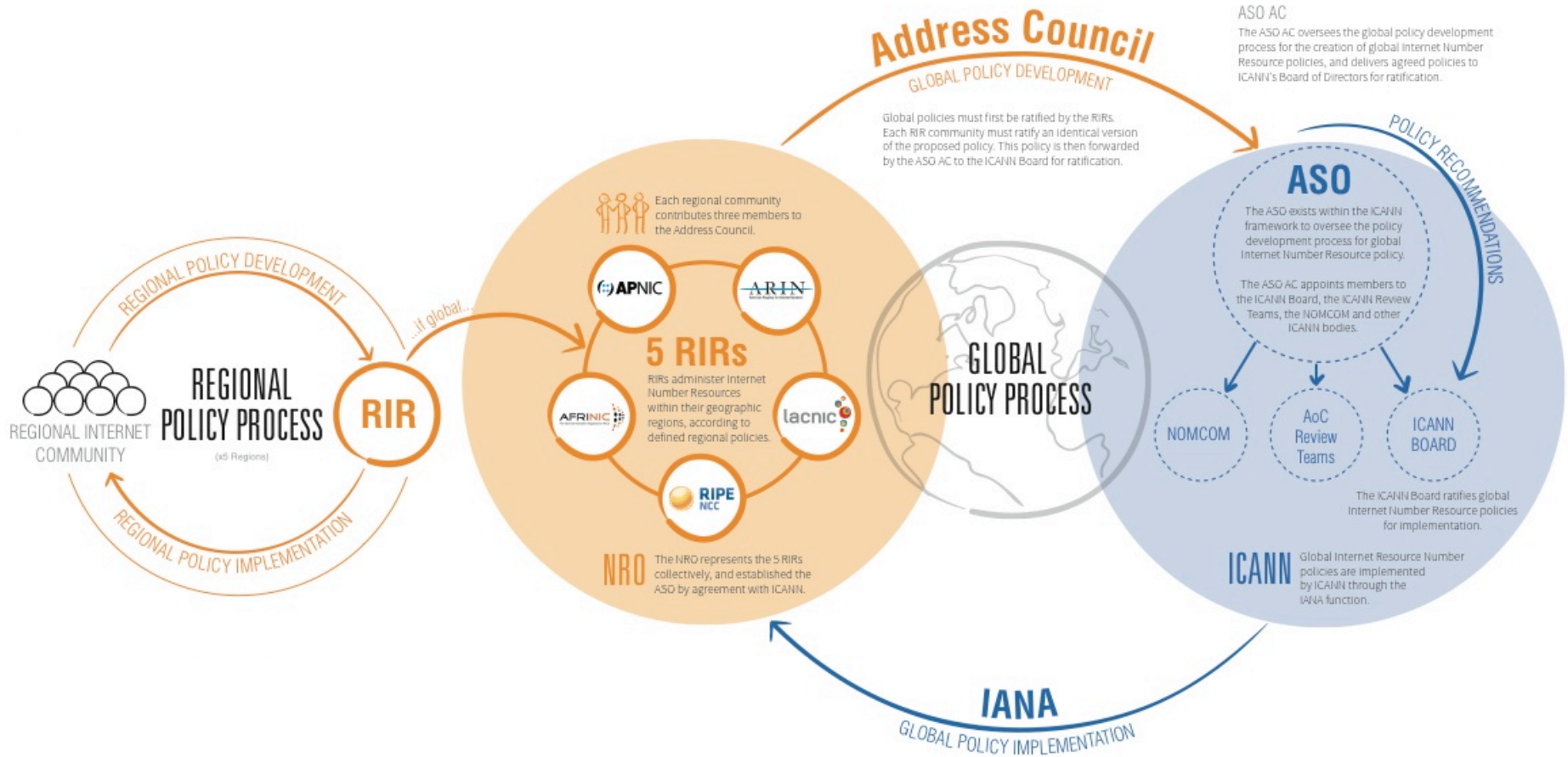
20+ anticipated sessions at ICANN 52

- ⦿ Continued focus on IANA stewardship transition and ICANN accountability
- ⦿ New committee: review internal rules and guidelines
- ⦿ Interim adoption of Interpretation of Policy Documentation (RFC 1591) for delegation, revocation and transfer (re-delegation) of country- code Top Level Domains (ccTLDs); awaiting Governmental Advisory Committee (GAC) decision

MORE INFORMATION

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

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



Highlights of Policy Discussions

- ⦿ RIR Meetings in all regions
- ⦿ 50 policy proposals made in total
 - 19 concluded with consensus and being implemented by the respective RIR
- ⦿ AFRINIC new WHOIS implementation
- ⦿ RIPE NCC new management interface for Resource Certification (RPKI)
- ⦿ AFRINIC & LACNIC: manage remaining resources and support IPv6 deployment
- ⦿ APNIC: improve processes
- ⦿ ARIN: prepare for IPv4 depletion and improve Number Resource Policy Manual
- ⦿ RIPE: Reduce workload and facilitation transfers

Preparations for IANA stewardship transition

- ⦿ Each Regional Internet Registry (RIR) community discussed the IANA stewardship in regional forums and mailing lists
- ⦿ The RIRs formed the consolidated RIR IANA Stewardship Proposal (CRISP) Team to produce a single Internet numbers community response to the ICG request for proposals
- ⦿ A mailing list, ianaxfer@nro.net, was established to support comments and feedback from the RIR communities through the CRISP Team processes
- ⦿ The final response was submitted to the ICG on 15 January
<http://www.nro.net/crisp-proposal-second-draft>

MORE INFORMATION

CRISP Team <http://goo.gl/1A2Okt>

AFRINIC <http://goo.gl/8T0iSu>

APNIC <http://goo.gl/xQRafn>

ARIN <http://goo.gl/UFDv1u>

LACNIC <http://goo.gl/jSyzZo>

RIPE <http://goo.gl/ZggaO8>

Internet Engineering Task Force (IETF)

* July 20 – 9 Nov 2014

HALF-YEAR HIGHLIGHTS*

86 Request For
Comments published

585 new Internet Drafts
published

1,080 Internet drafts
updated

12 new Working Groups
formed

Internet Engineering Task Force (IETF)

- ⦿ Develops and maintains standards for technologies used to provide Internet service or to provide services over the Internet
- ⦿ Technical study completed as part of an IETF working group on **Web Extensible Internet Registration Data Service** – exploring standard-based solution to internationalized registration data
- ⦿ An expected Internet Architecture Board (IAB) statement regarding internationalized domain names

MORE INFORMATION

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

<http://datatracker.ietf.org/wg/ianaplan/charter/>

Internet Engineering Task Force (IETF)

* July 20 – 9 Nov 2014

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.



IETF and ICANN

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

MORE INFORMATION

- IANA Department Report at IETF 91 <http://goo.gl/75DfRW>
- IETF 91 Proceedings <http://goo.gl/glzvJO>
- IETF Structure and Internet Standard Process <http://goo.gl/MHYWzs>

A world map composed of a network of white dots and lines on an orange background. The dots represent nodes and the lines represent connections, forming a global network structure.

Management Update

Sally Costerton, Head of Global
Stakeholder Engagement

Executive Summary

- ⦿ Information Technology update
- ⦿ Global Domains Division (GDD) update
- ⦿ Contractual Compliance update
- ⦿ Stakeholder engagement and outreach activities
- ⦿ Spotlight on Asia Pacific

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.

- ⦿ Cyber-security
 - What are we doing differently?
- ⦿ Content management improvements with Zensar as partner in India
 - Now offer 24 x 5 support, with 24 x 7 support during ICANN Meetings

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.

- ⦿ Enhancing the Root Server system
 - Working with the Root Server community on improvements
- ⦿ Commenced preparations for the development of a plan to update (“roll”) the root DNSSEC Key
- ⦿ 19th DNSSEC Root Zone Key Signing Key ceremony held on 20 November in Virginia
- ⦿ Held 37 capacity building events across five regions
- ⦿ Report published: *ICANN Identifier System SSR Update-2H 2014* <http://goo.gl/oZ921Y>

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.

- ⦿ 65 delegated strings in FY15 Q2 (498 to date)
- ⦿ 204 Registry Agreements signed in FY15 Q2 (777 to date)
- ⦿ **165** contention sets resolved of initial 233
 - 155 – self resolved
 - 10- resolved as auction (method of last resort)
 - Auction net proceeds **to date** \$32M
- ⦿ 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>

GDD: Internationalized Domain Name Update

WHY IT'S IMPORTANT

Internationalized Domain Names (IDNs) at the top-level enable Internet users to access domain names in their respective language scripts.

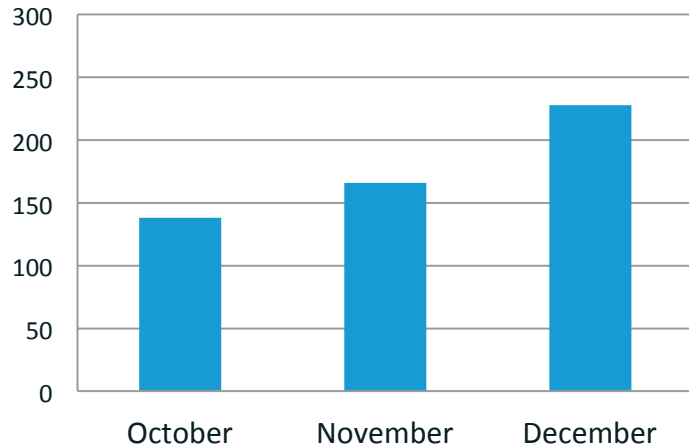
IDN country-code Top Level Domains (ccTLDs) allow countries and territories to represent their respective country or territory names in scripts other than US-ASCII characters.

- ⦿ Internationalized Domain Names (IDNs)
 - Good progress but much work (primarily technical) to be done
 - Work is tied to implementing an approved procedure related label generation rules for the root zone
- ⦿ Internationalized Domain Names country-code Top Level Domain (ccTLD) request from Armenia passed string evaluation; now 35 countries/territories have achieved this milestone

GDD: Customer Service Center

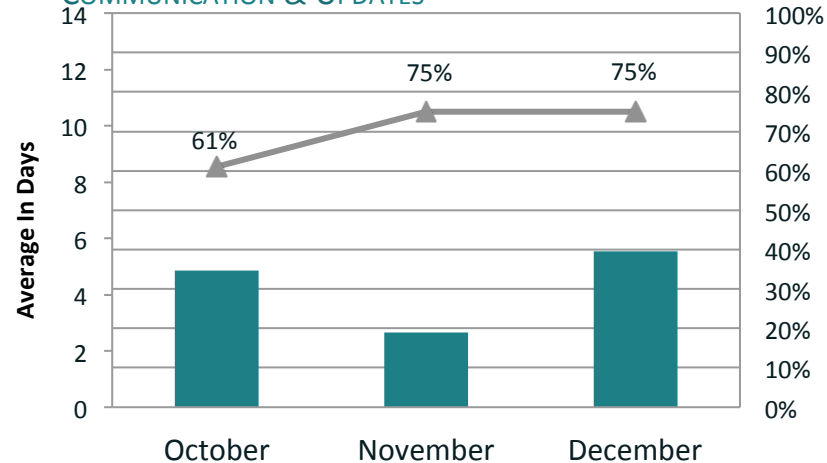
CASE BACKLOG

MONTH END VOLUME TRENDING



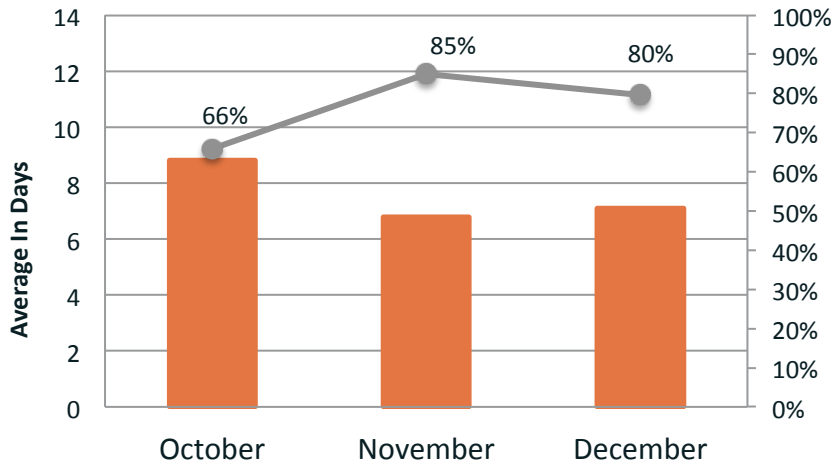
LAST RESPONSE

COMMUNICATION & UPDATES



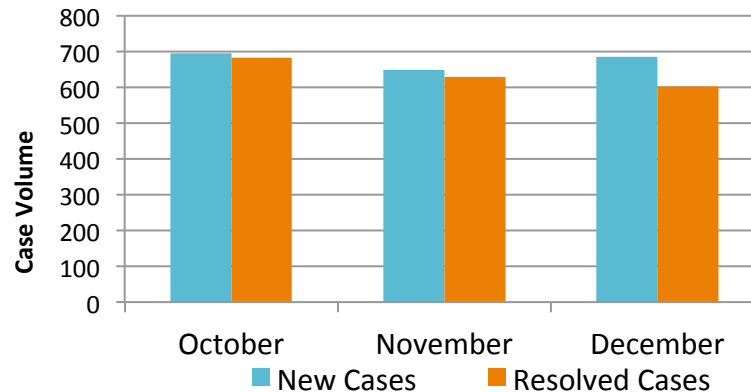
RESOLUTION TIME

CASE AGING



CASE VOLUME TRENDING

CASES CREATED & RESOLVED



GDD: IANA Tickets Q2

FY15 Q2 data compared to FY15 Q1 data

NAMES



8 requests

PROTOCOL PARAMETERS



95 requests

NUMBERS

0 requests

GENERAL



16 requests

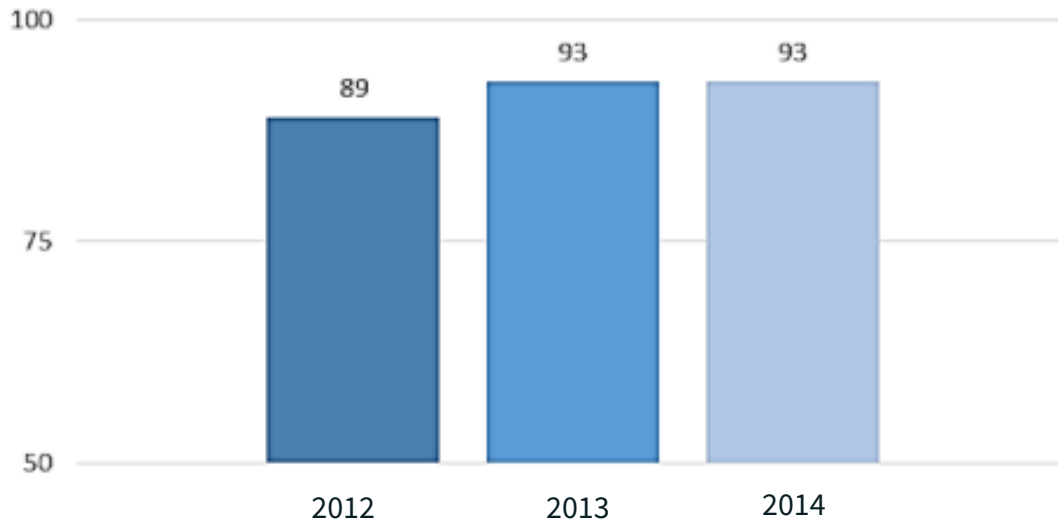
Q2 TOTAL



68 requests

GDD: IANA Functions Satisfaction Survey

Overall Customer Satisfaction



93% Overall customer satisfaction

83% Very satisfied with transparency of Key Signing Key Ceremonies

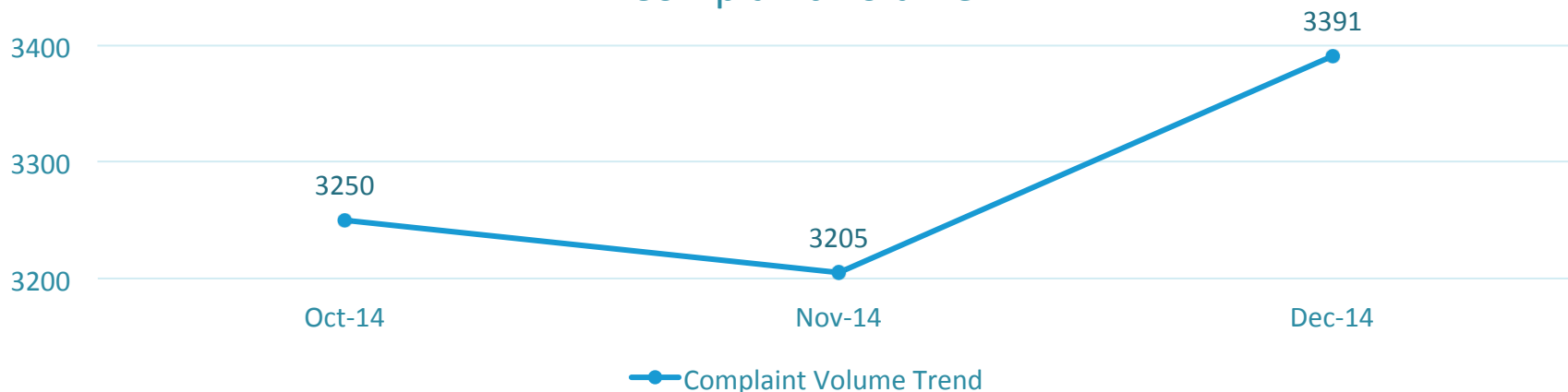
489 Respondents (11% response rate)

MORE INFORMATION

- 2014 IANA Functions Satisfaction Survey <http://goo.gl/lh6TRR>
- More info on Key Signing Key Ceremonies <http://goo.gl/0sQu7f>

Contractual Compliance – Q2 Metrics

Complaint Volume

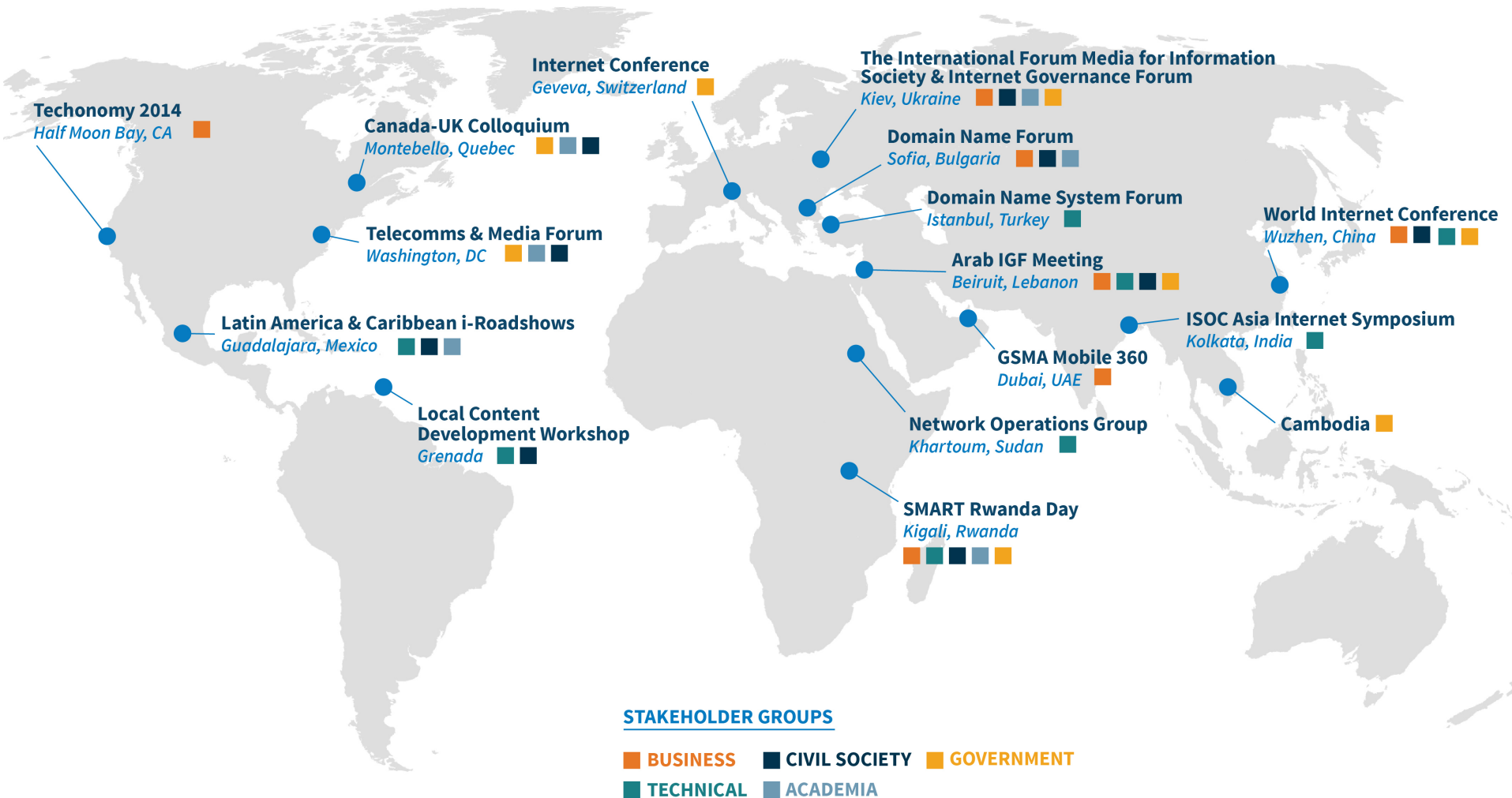


Total Volume	Oct-14	Nov-14	Dec-14	Q2 Total
Total New	3,250	3,205	3,391	9,846
Total Closed	3,048	2,731	2,967	8,746

Closure Rates [Target >= 55%]	Oct-14	Nov-14	Dec-14	Q2 Average
New Tickets	61%	54%	39%	51%
All Tickets	68%	63%	58%	63%

Turnaround Time (days)	Oct-14	Nov-14	Dec-14	Q2 Average
Received-to-Closed	9.7	9.6	14.2	11.2

Global Stakeholder Engagement & Outreach



Spotlight on Asia Pacific



HUB GROWTH

- 23 Staff in the region

LEGEND

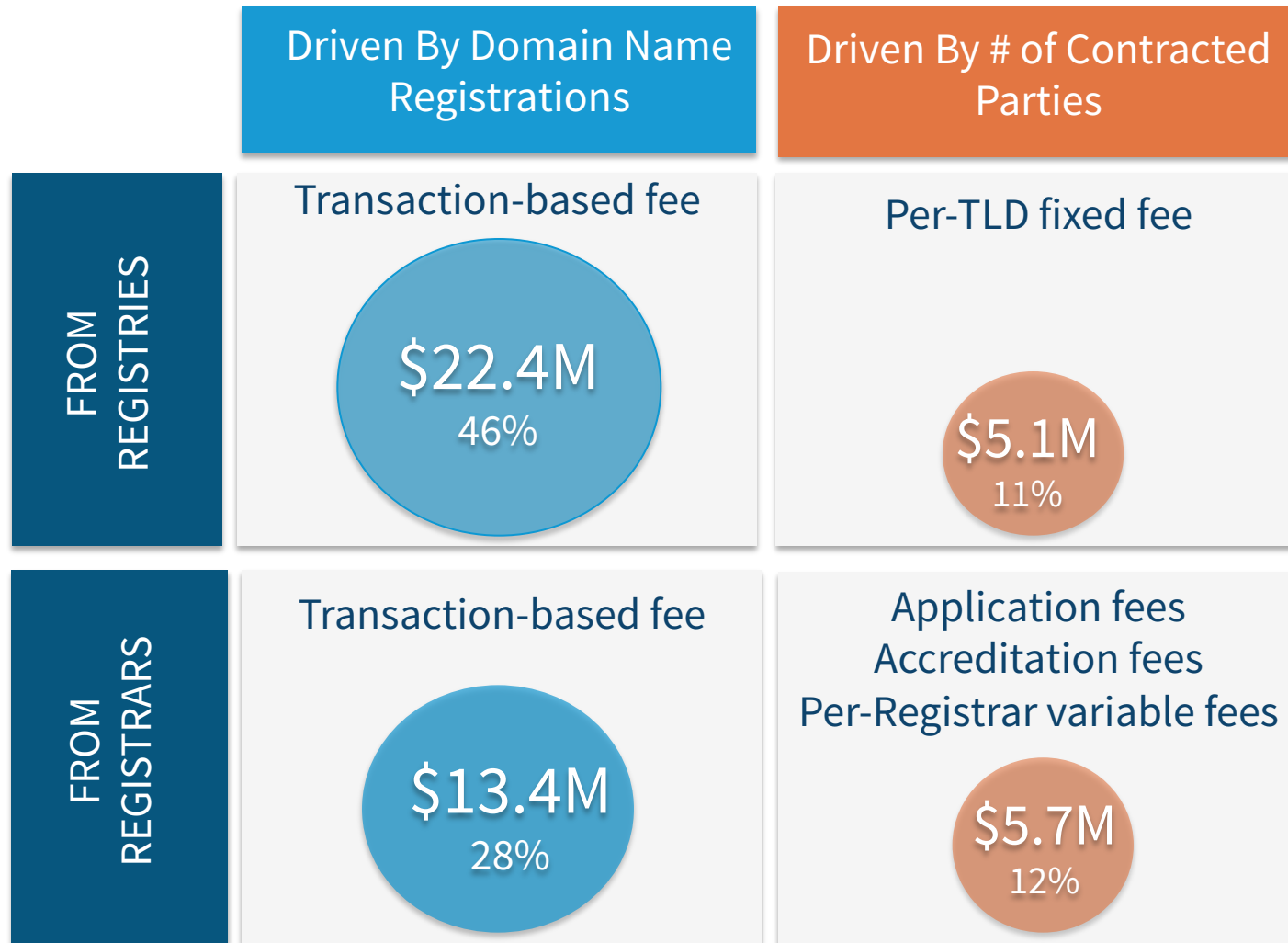
- ★ CAPACITY BUILDING WORKSHOPS AND WEBINARS
- KEY EVENTS IN REGION
- L-ROOT
- 👤 ICANN PRESENCE

A world map where the continents are defined by a network of white dots and lines, resembling a data network or a molecular structure. The background is a solid dark blue color.

Financial Update

Xavier Calvez, CFO

FY15 H1 Revenue Overview- ICANN Ops

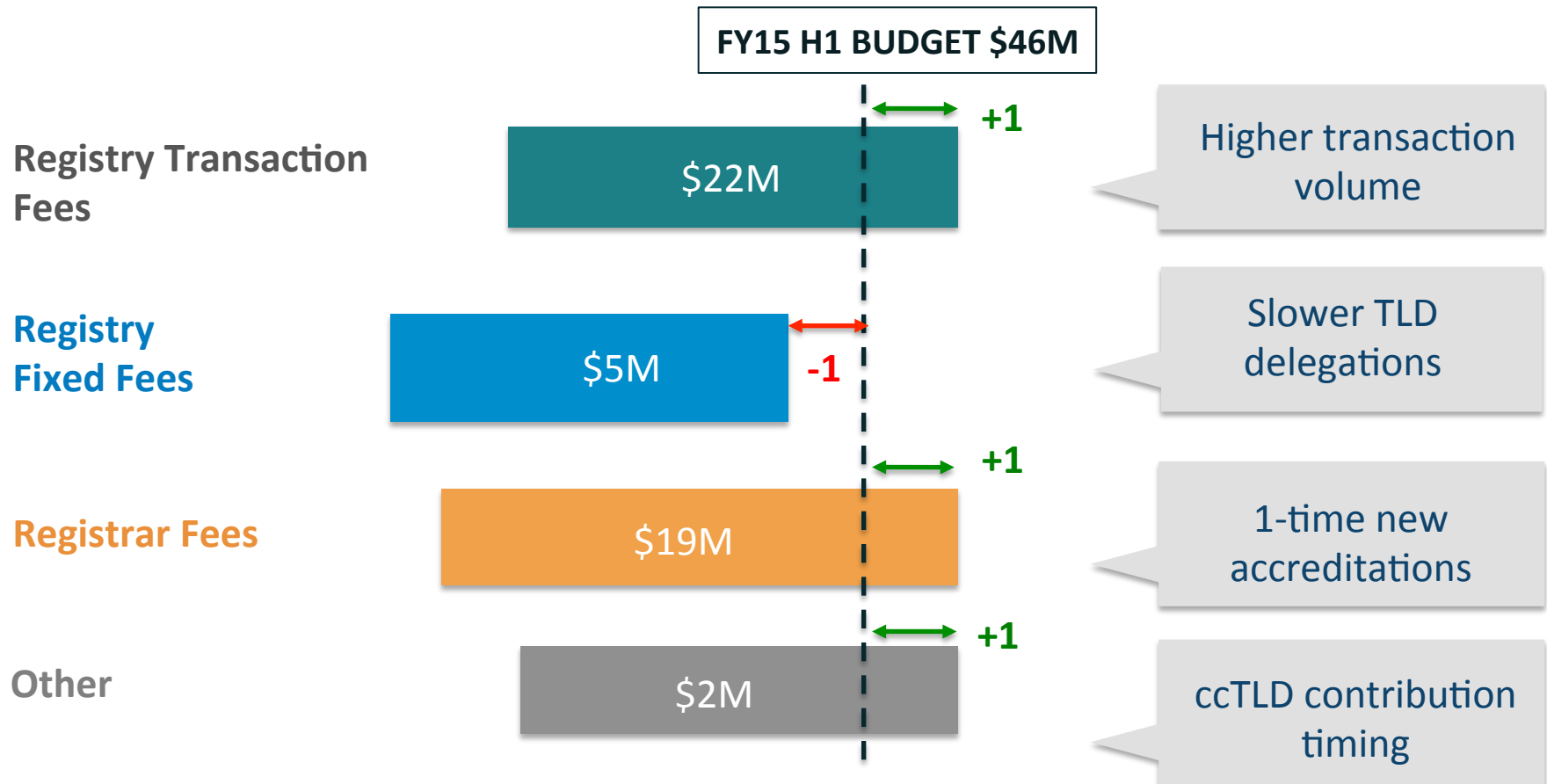


OTHER INCOME: Contributions and sponsorships \$1.7M (3%)

In millions, USD - unaudited

FY15 H1 Revenue vs Budget- ICANN Ops

Revenue overall on target in H1. Continued slower new TLD delegations impacting fixed fee revenue.



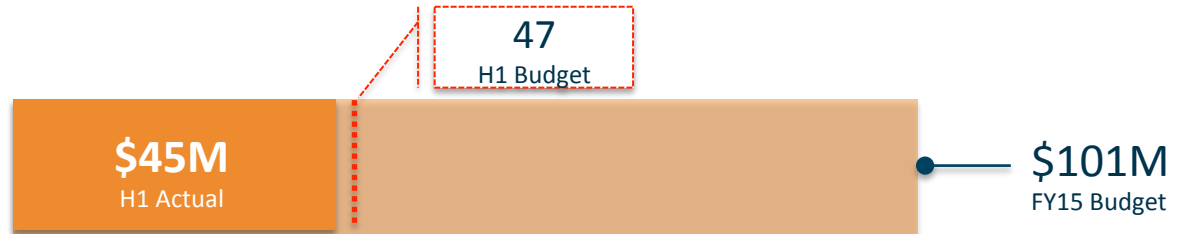
Total H1 Actual Revenue: \$48M

FY15 H1 Expenses vs. Budget – ICANN Ops

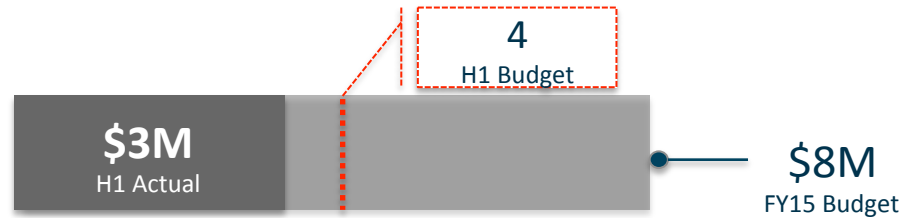
Cost control keeps baseline expenses within budget in H1.

MANAGED BY STAFF

Operating Expenses
(Baseline – excl. Initiatives & Hist. Dev. Costs Reimbursement)



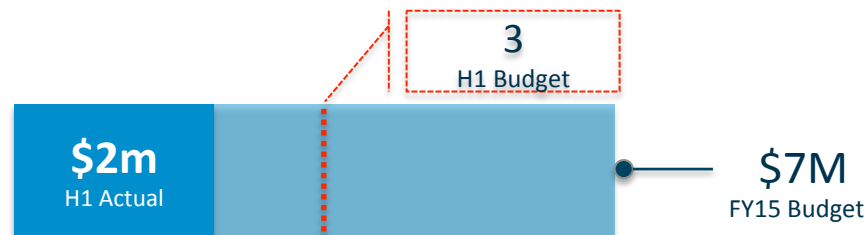
Capital Expenses



COMMUNITY DRIVEN

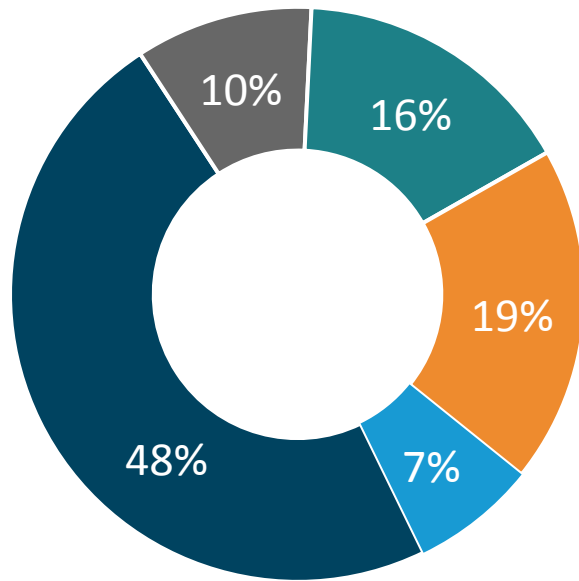
Initiative spend slower than assumed in H1. Expected increase of run-rate in H2.

Approved Initiatives
(USG Transition Project)



FY15 H1 Operating & Capital Expenses – ICANN Ops

Careful management of baseline expenses.



**Total Baseline
Operating & Capital
Expenses: \$48M**

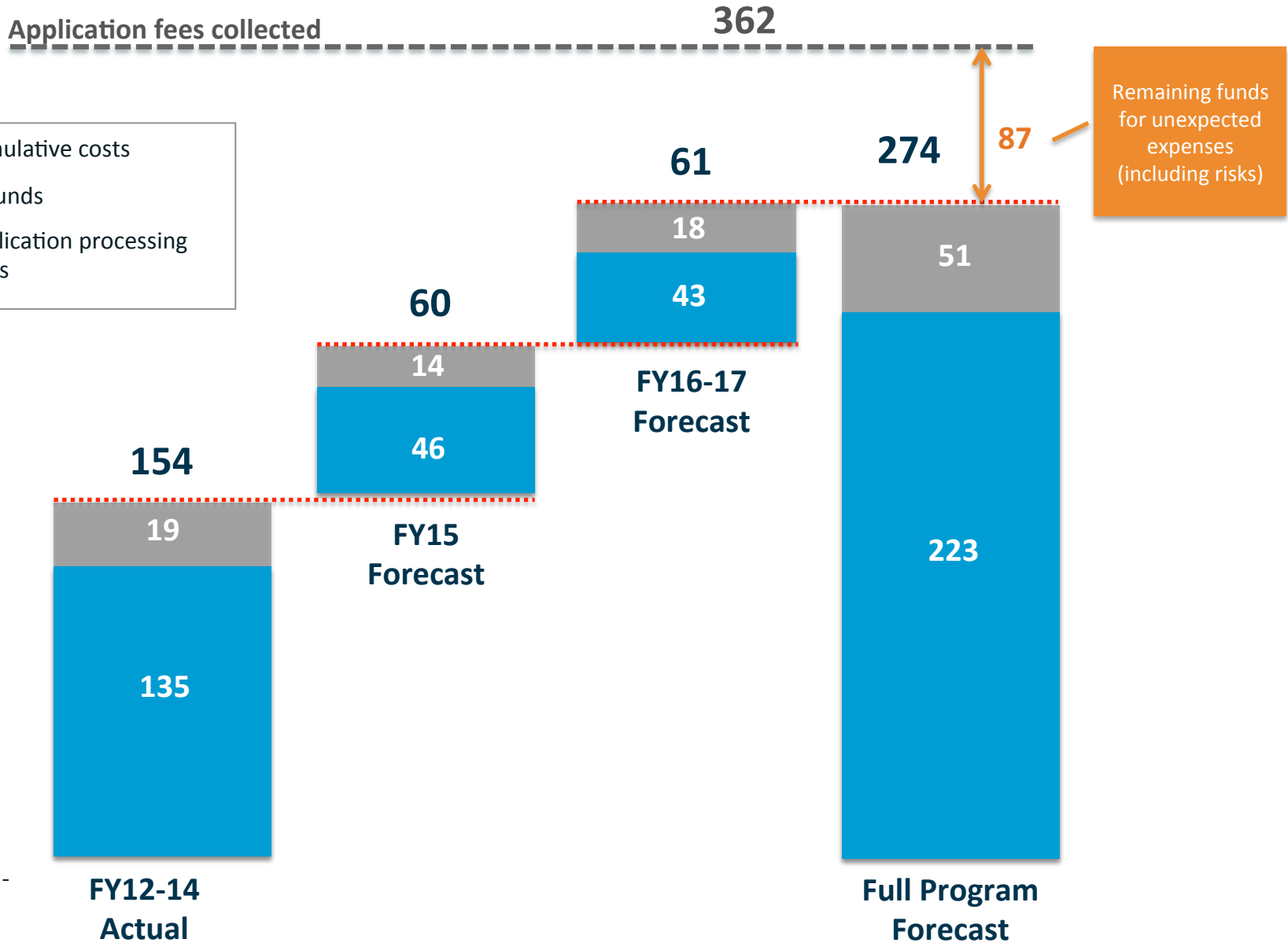
	Actual	Budget	Better (+) / Worse (-)
Personnel	\$23M	\$23M	+3%
Travel & Meetings	\$5M	\$6M	+10%
Prof. Svcs.	\$8M	\$8M	+2%
Capital	\$3M	\$4M	+4%
Admin.	\$9M	\$10M	+4%
Total	\$48M	\$51M	+5%

*“Cost savings
task force”*

*“Monthly Budget
monitoring”*

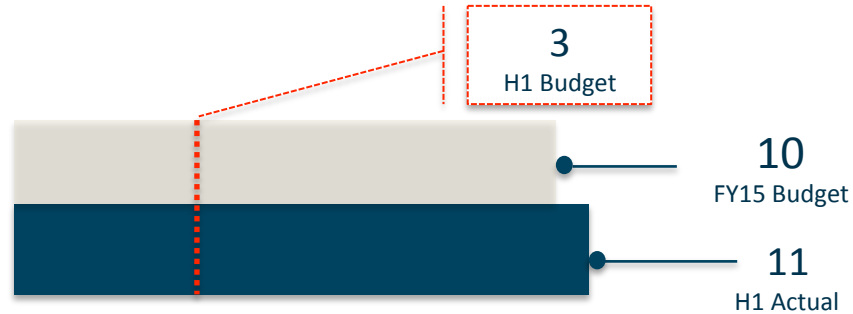
“Hiring plan revision”

New gTLD Program – Multi-year Forecast

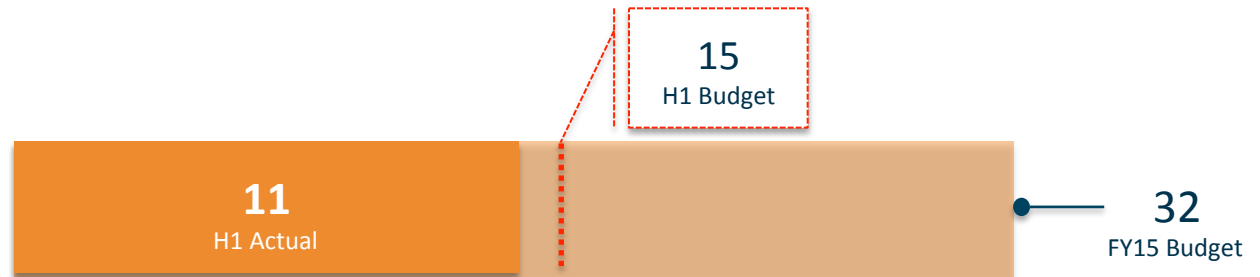


FY15 H1 Progress vs. Budget – New gTLD Program

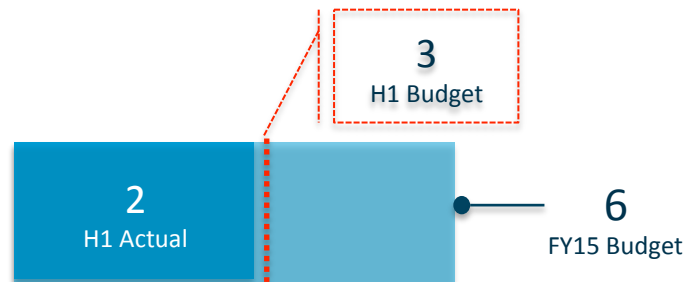
Application withdrawal refunds



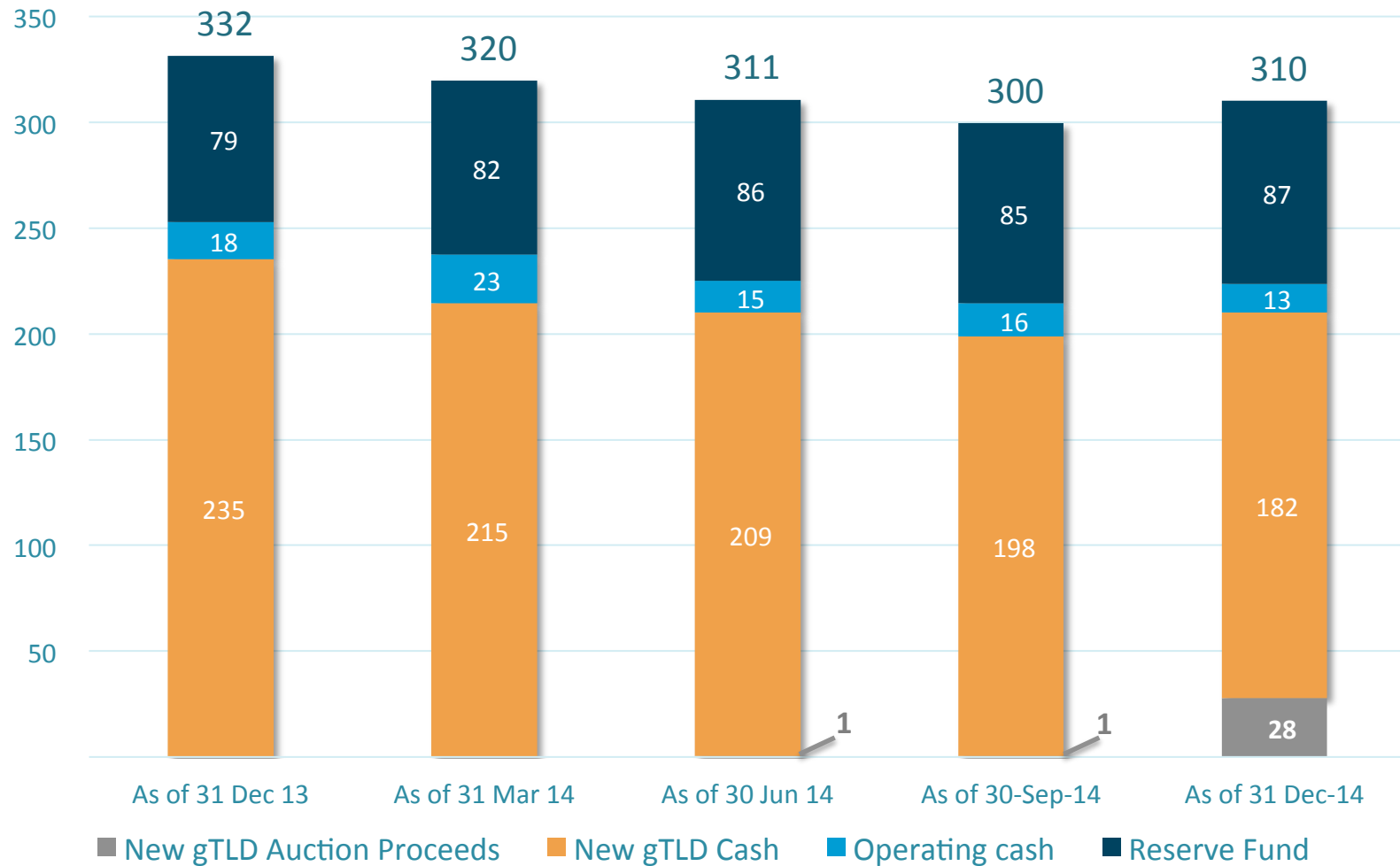
Application Processing costs



Repayment of Historical Dev. Costs



Funds Under Management



In millions, USD - unaudited

Thank You and Questions



SAVE THE DATE

Q3 Stakeholder Call: 23 April

Email: engagement@icann.org

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



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