Quarterly Stakeholder Call

For Quarter ending 30 September, 2014

Agenda

10 min	**President's Overview**
	Fadi Chehadé

10 min	**Policy Update**
	David Olive

15 min	**Management Update**
	Akram Atallah

10 min	**Q1 Financials**
	Xavier Calvez

30 min	**Q&A**
	All

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President's Overview

Fadi Chehadé, President and CEO ICANN

Overview

- First Quarterly Stakeholder Call

- Goal: Provide a predictable window into ICANN's activities and financial health

- Objective: Factual, detail-based reporting for period of 1 July to 30 September 2014

Operational Performance

Q1 ACHIEVEMENTS

- **Strategic Plan completed over 17 months via 3 public comment periods**

- **Hired Chief Technology Officer**

- **ICANN grew from 290 in 25 countries to 306 staff members in 28 countries**

- Adopted Strategic Plan as framework for five-year planning and one-year operating plan

- Revenues slightly higher than expected; expenses slightly lower

- Increased technical strength

- Stabilized staff growth

More information on Quarterly Report page
https://www.icann.org/resources/pages/quarterly-reports-2014-11-13-en

ICANN

Contractual Compliance

Q1 ACHIEVEMENTS

SECOND YEAR AUDIT:

- **317 Registrars audited last year**

- **98% in compliance by end of audit**

- Created new position and appointed Chief Contract Compliance Officer with focus on working with others to help safeguard registrants and global Internet community

- Launched 3rd year of Contractual Compliance Audit Program

- Completing the first round of the New Registry Agreement on 14 TLDs

MORE INFORMATION
https://www.icann.org/resources/pages/compliance-2012-02-25-en

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IANA Stewardship Transition & Accountability

KEY FACTS

- **Names community proposal led by 100+ people from 41 countries**

- **Numbers community proposal undertaken by 5 Regional Internet Registries**

- **Protocol parameters led by Internet Engineering Task Force**

- Global community is on track on both transition of stewardship from USG and strengthening of ICANN accountability

- This is top priority project; but our number one mission is security, stability and resiliency of Internet Domain Name System

- US Secretary of Commerce Penny Pritzker at ICANN 51 reaffirmed support for the transition and multistakeholder governance

MORE INFORMATION
https://www.icann.org/stewardship-accountability

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Internet Governance

KEY FACTS

- **Internet Governance Forum 2014, Istanbul, September 2014**

- **International Telecommunications Union Plenipotentiary 2014, Busan, October–November 2014**

- **NETmundial Initiative launch, November 2014**

- ICANN is committed to maintain its limited remit within the global distributed Internet governance ecosystem as coordinator of technical Internet identifiers, Internet Protocol Parameters, address space and the Domain Name System

- ICANN will continue its successful coordination with the technical multistakeholder community on these issues in the global fora

- NETmundial Initiative is one way ICANN will work with other global players to strengthen the current distributed global ecosystem and evolve it as necessary to fill any identified gaps

MORE INFORMATION
www.netmundial.org

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Community

Q1 ACHIEVEMENTS

- **13 public comment periods**

- **39 advice statements**

- **37 Board and New gTLD Program Committee resolutions**

- **2 Security & Stability Advisory Committee Reports**

- **1 new Country-code Names Supporting Organization member for 152 total**

- **5 new Governmental Advisory Committee members for 146 total members and 31 observers**

- Diverse volunteer community from around the world.

- Policy is made by:

  —**PROTOCOL PARAMETERS**
  Internet Engineering Task Force

  —**NUMBERS**
  Regional Internet Registries/Number Resource Organization/Address Supporting Organization

  —**NAMES**
  Country Code Names Supporting Organization, Generic Names Supporting Organization

▶ **MORE INFORMATION**
https://www.icann.org/policy

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Policy Development Update

David Olive, VP Policy Development Support

Coordinating Policy Development

ICANN SUPPORTING ORGANIZATIONS

- Generic Names Supporting Organization (GNSO)
- Country Code Names Supporting Organization (ccNSO)
- Address Supporting Organization (ASO)

ICANN ADVISORY COMMITTEES

- At-Large Advisory Committee (ALAC)
- Governmental Advisory Committee (GAC)
- Security & Stability Advisory Committee (SSAC)
- Root Server System Advisory Committees (RSSAC)

OTHER INTERNET POLICY / TECH ORGS.

- Internet Engineering Task Force (IETF)
- Regional Internet Registries

MORE INFORMATION
https://www.icann.org/policy

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Generic Names Supporting Organization (GNSO)

Q1 HIGHLIGHTS

7 Council Resolutions passed

11 Policy Development Processes underway

61 Sessions held at ICANN 51

- **New areas of work in Q1**

  – Discussion group on new gTLD subsequent procedures

  – Work on IANA Stewardship Transition Proposal

- **Completed work in Q1**

  – Inter-Registrar Transfer Policy Part D recommendations adopted

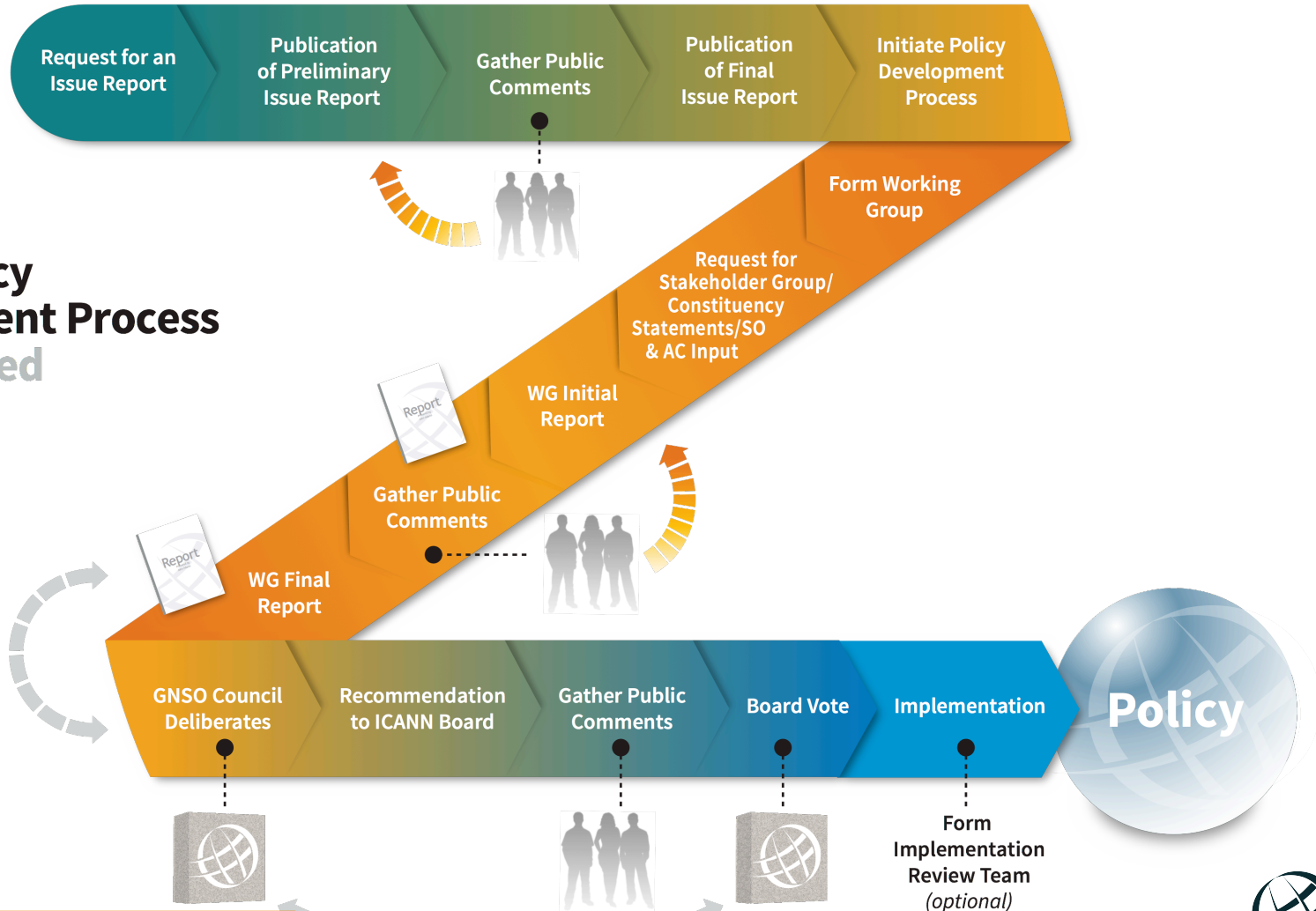 – Uniformity of Reporting Final Issue Report resolved and closed

MORE INFORMATION
https://www.icann.org/policy

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Coordinating Policy Development

GNSO Policy Development Process

*Summarized

*Some steps omitted, for brevity.

Request for an Issue Report → Publication of Preliminary Issue Report → Gather Public Comments → Publication of Final Issue Report → Initiate Policy Development Process → Form Working Group → Request for Stakeholder Group/Constituency Statements/SO & AC Input → WG Initial Report → Gather Public Comments → WG Final Report → GNSO Council Deliberates → Recommendation to ICANN Board → Gather Public Comments → Board Vote → Implementation → Policy

Form Implementation Review Team *(optional)*

MORE INFORMATION
https://www.icann.org/policy

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Country Code Names Supporting Organization (ccNSO)

Q1 HIGHLIGHTS

13 COUNCIL DECISIONS AND RESOLUTIONS
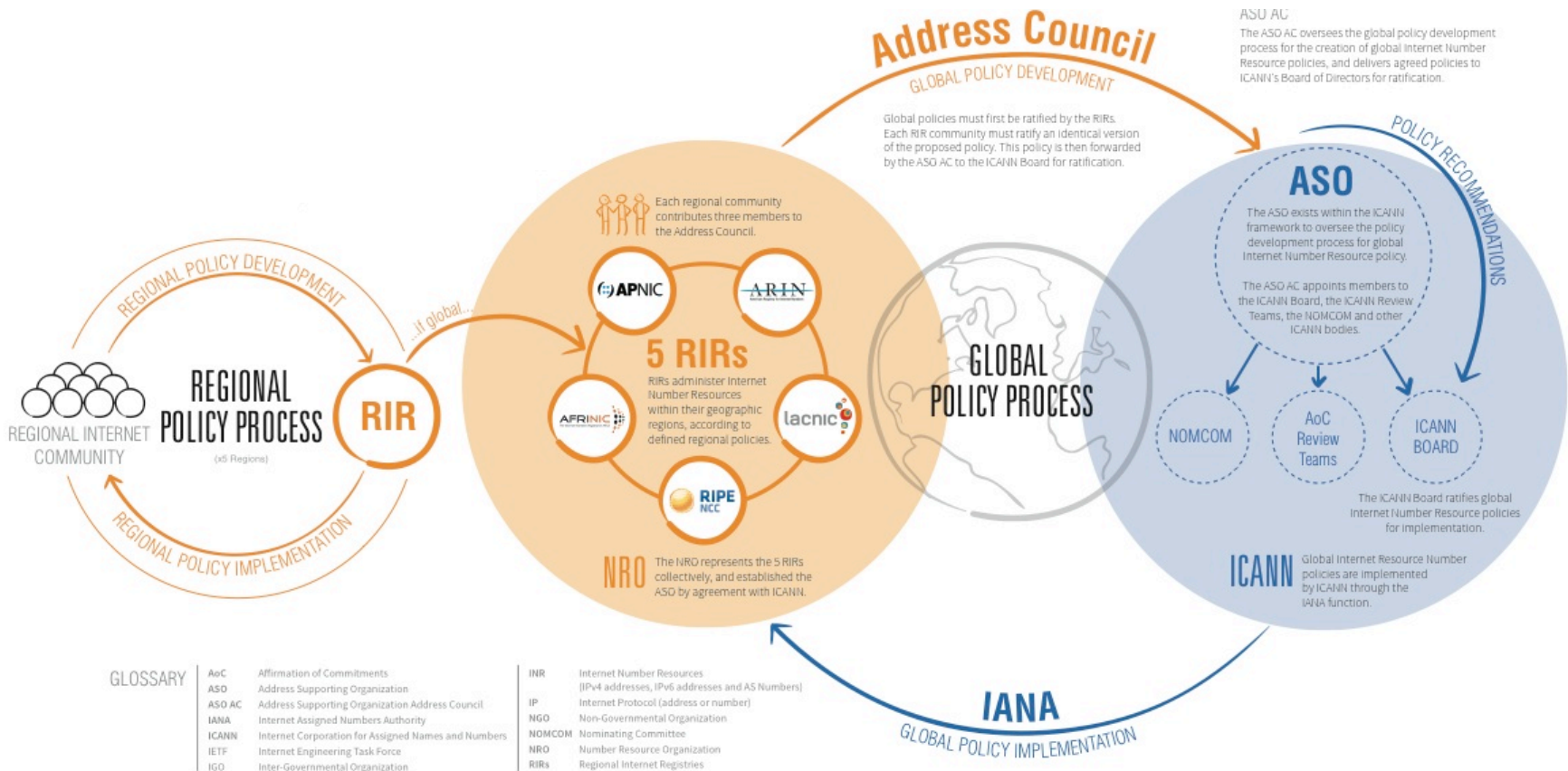
23 COMMUNITY SESSIONS HELD AT ICANN 51

152 MEMBERS ADDED .IN (INDIA)

- Focus on IANA stewardship transition and ICANN accountability

- New Working Group- Internet Governance

- Interim adoption of work on how to interpret policy for delegation and re-delegation of country-code Top Level Domains (ccTLDs); awaiting Governmental Advisory Committee (GAC) input
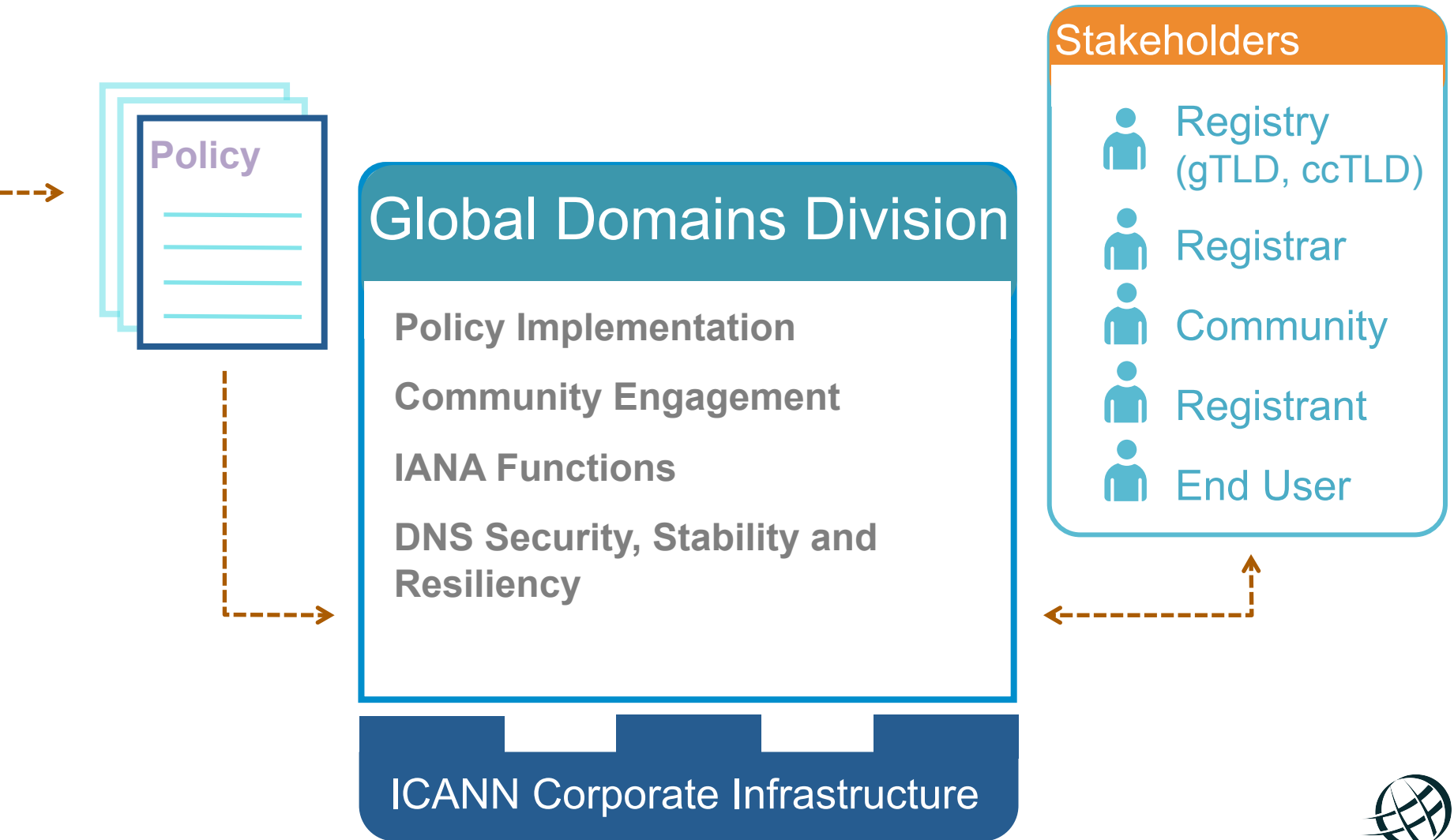
MORE INFORMATION
https://www.icann.org/policy

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Address Supporting Organization

Responsibilities & Stakeholders

Policy

Global Domains Division

Policy Implementation

Community Engagement

IANA Functions

DNS Security, Stability and Resiliency

ICANN Corporate Infrastructure

Stakeholders

Registry
(gTLD, ccTLD)

Registrar

Community

Registrant

End User

ICANN

Management Update

Akram Atallah, President, Global Domains Division

Executive Summary

- Operations report

  – Technical update

  – Business operations service tickets

  – Names & New gTLD Program

  – ICANN staff and locations

- Engagement report

  – Technical engagement and outreach

  – Spotlight on Latin America & Caribbean (LAC) region

Strengthened ICANN's Technical Capabilities

- Chief Technology Officer appointed

- 18th Root key signing ceremony

- 150+ L-Root location nodes

- Four senior new hires in ICANN's IT Department

- Name Collision Occurrence Management Framework published

I C A N N

Business Operations Service Tickets
IANA Department Requests

270 Domain related requests

862 Protocol related requests

3 Number related requests

275 General inquiries

1,410 total requests
JULY-SEPTEMBER

MORE INFORMATION
https://www.iana.org/performance

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Business Operations Service Tickets
Contractual Compliance (July - Sep 2014)

Summary of Complaint Volume by Region

N. America

104.3M	5,439	.005%
890	410	46.1%
242	162	66.9%

Europe

24.3M	919	.004%
176	128	72.7%
158	80	50.6%

Asia/A/P

25.8M	2,619	.010%
194	149	76.8%
69	32	46.4%

Latin America

1.1M	79	.007%
24	23	95.8%
5	3	60.0%

Africa

21,452	3	.014%
8	6	75.0%
4	0	0.0%

LEGEND

| Domains Registered through Registrars in Region (as of July 2014)	# Complaints	% Complaints per Domain Volume
# registrars per region	# registrars w/ Complaints	% registrars with complaints per region
# registries per region	# registries w/ Complaints	% registries with complaints per region

MORE INFORMATION
https://features.icann.org/compliance

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Business Operations Service Tickets
Customer Service Center

CASE BACKLOG

MONTH END VOLUME TRENDING

Case Backlog
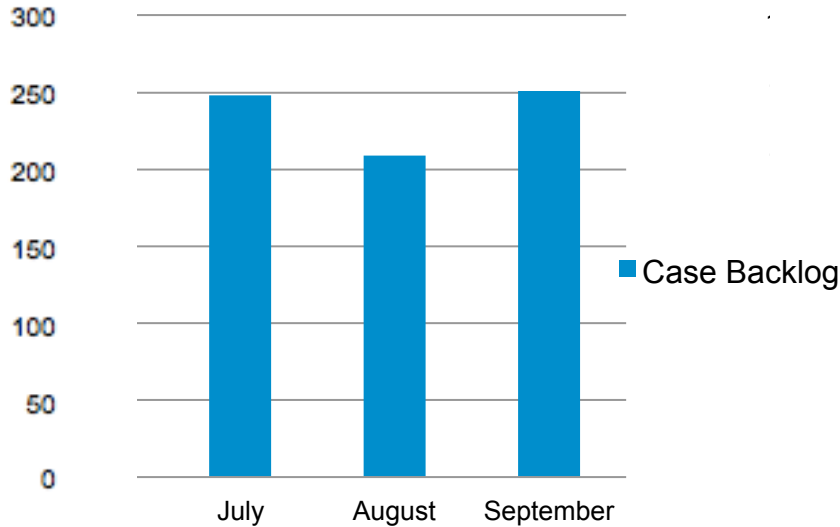
LAST RESPONSE

COMMUNICATION & UPDATES

56%

48%

Ave Age Last Response
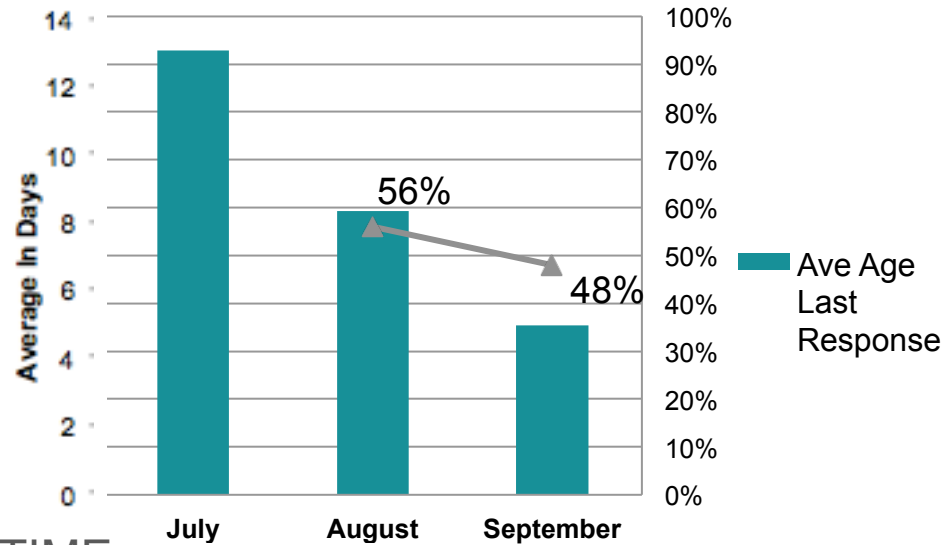
RESOLUTION TIME

CASE AGING

74%

47%

38%

Ave Case Age

ICANN
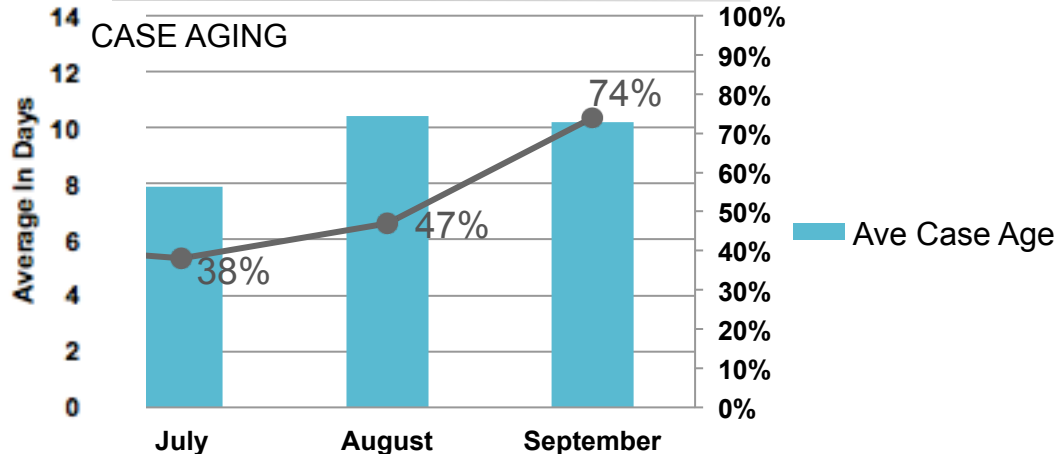
Names (New gTLD Program)

- Completion of current round of New gTLD Program extended to 2017

- FY15 Q1 Program statistics

  – 63 top level domains delegated **(total: 430 delegated)**

  – 73 Registry Agreements signed **(total: 600 agreements signed)**

- 31 contention sets resolved

  – Auction proceeds are segregated from ICANN's budget

  – Community will be consulted as to how these funds should be used

MORE INFORMATION
http://newgtlds.icann.org/en/

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Names (continued)

Internationalized Domain Names

- Chinese script root zone Label Generation Rules panel seated
- Two proposed internationalized country code top-level domains – one for the Republic of Iraq and one for Republic of Belarus – passed string evaluation

Key Reports Published

- New gTLD Program Reviews and Assessments Draft Work Plan
- Implementing Rights Protection Mechanisms in Name Collision Mitigation Framework
- Universal Acceptance Draft Work Plan

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Technical Engagement & Outreach

TOKYO, JAPAN

BAKU, AZERBAIJAN

LOS ANGELES, UNITED STATES

SEOUL, S. KOREA

TOKYO, JAPAN

AMMAN, JORDAN

YAOUNDÉ, CAMEROON

BRISBANE, AUSTRALIA

REGISTRY ROADSHOW
REGISTRAR OUTREACH
DOMAIN NAME SYSTEM SECURITY EXTENSIONS TRAINING
TLDCON
ASIA-PACIFIC NETWORK INFORMATION CENTRE 38

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Engagement: Latin America & Caribbean (LAC)

- Key events:

  – i-Roadshows: Guadalajara, Mexico & São Paulo, Brazil

  – Technical Workshop for TLD community- São Paulo

  – CaribNOG8 / Latin American and Caribbean Network Information Centre (LACNIC)- Curaçao

- Communications plan

- First new gTLDs for the region signed at ICANN 51

  – .LAT | .BAR | .REST

- Signed cooperation agreements with

  – Inter-American Telecommunication Commission (CITEL)

  – Caribbean Telecommunications Union

GUADALAJARA

CURAÇAO

SAÕ PAULO
(Two events)

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306 ICANN Staff in 28 Countries

JULY 2014 → SEPT. 2014

N. AMERICA; LATIN AMERICA & CARIBBEAN

233 staff → 242 staff

3%
growth

EUROPE; MIDDLE EAST & AFRICA

41 staff → 44 staff

7%
growth

ASIA PACIFIC & OCEANIA

17 staff → 20 staff

17%
growth

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Development and Public Responsibility Dept.

Education

- University outreach

- ICANN Learn- current stats:

  – 50 courses | 1,000 users / month |
  10,000 lessons viewed / month

Localization and Language Services

- Focus group on translation for ICANN.org

Supporting the Next Generation

- 357 Fellowship Program applications for ICANN 51

- 12 participated in NextGen@ICANN Program at ICANN 51

Participation in Global Internet Cooperation & Development

- NETmundial Initiative

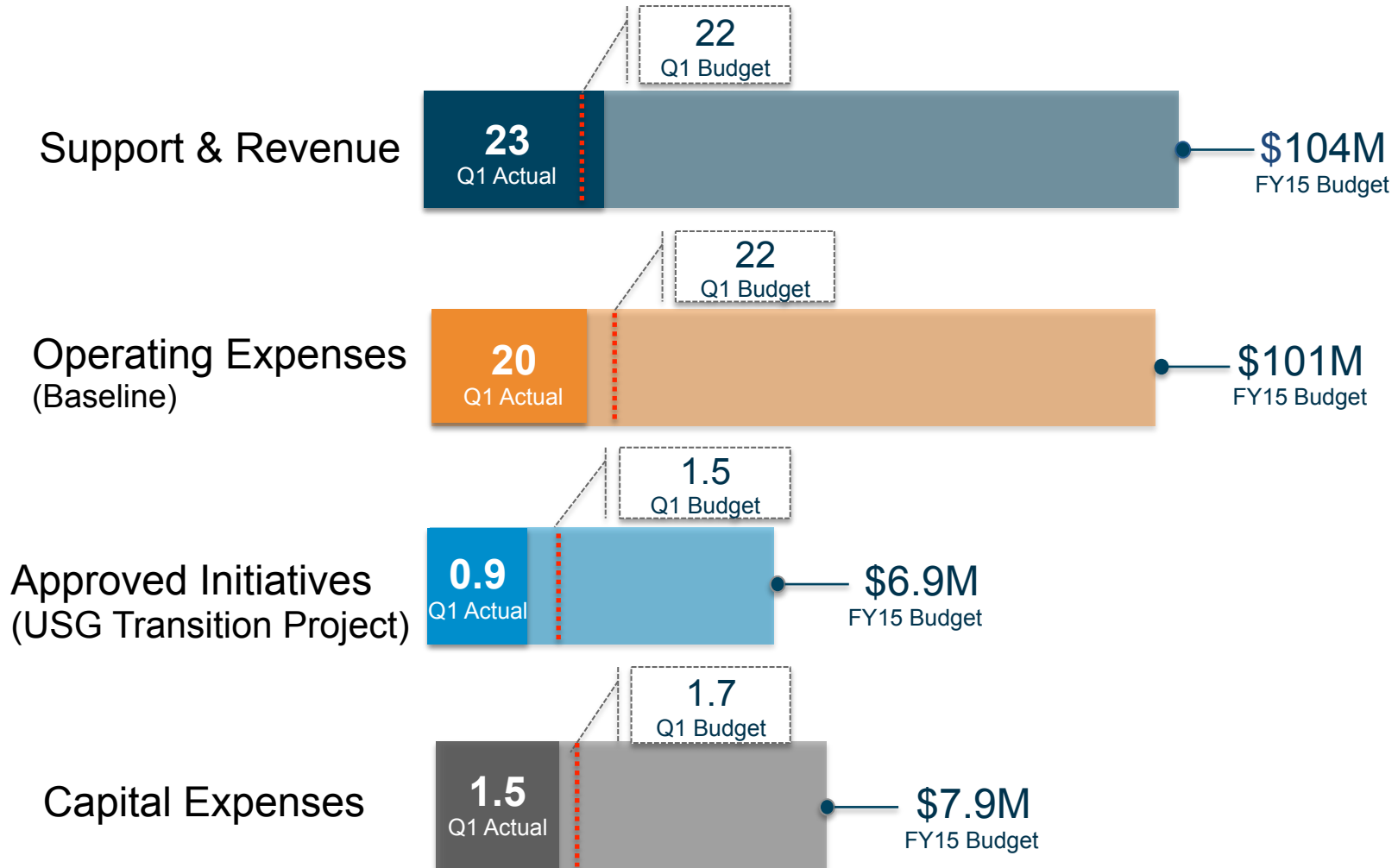- Participation with International Organizations & sponsorship matters

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Financials

Xavier Calvez, CFO

MORE INFORMATION
https://www.icann.org/resources/pages/financials-2012-02-25-en

FY15 Q1 Progress vs. Budget – ICANN Ops

Revenue and expenses on target for Q1.

Support & Revenue
- 22 Q1 Budget
- 23 Q1 Actual
- $104M FY15 Budget

Operating Expenses (Baseline)
- 22 Q1 Budget
- 20 Q1 Actual
- $101M FY15 Budget

Approved Initiatives (USG Transition Project)
- 1.5 Q1 Budget
- 0.9 Q1 Actual
- $6.9M FY15 Budget

Capital Expenses
- 1.7 Q1 Budget
- 1.5 Q1 Actual
- $7.9M FY15 Budget

In millions, USD - unaudited

FY15 Q1 Support & Revenue – ICANN Ops

Revenue overall on target. Monitoring slower new TLD delegations for impacting on fixed fees

10%

38%

48%

3%
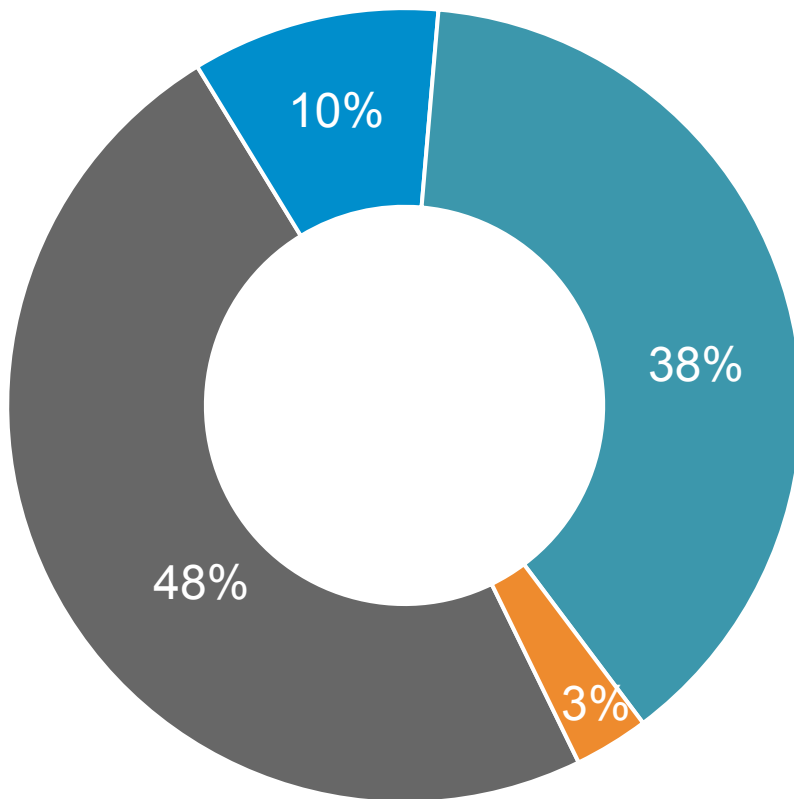
	Actual	Budget	Better (+) / Worse (-)
Registry Transaction Fees	11.3	10.7	+5%
Registry Fixed Fees	2.3	2.5	-7%
Registrar Fees	8.9	8.8	+1%
Other	0.8	0.4	+119%
Total	**23.4**	**22.4**	**+4%**

$2.6M of Registry and Registrar revenue (included above) in Q1 by 414 new TLDs delegated at the end of Q1 (inception to date).

Total Ops Support & Revenue: $23.4M

In millions, USD - unaudited

FY15 Q1 Operating Expenses – ICANN Ops

Careful management of expenses and favorable differences of project vs plan
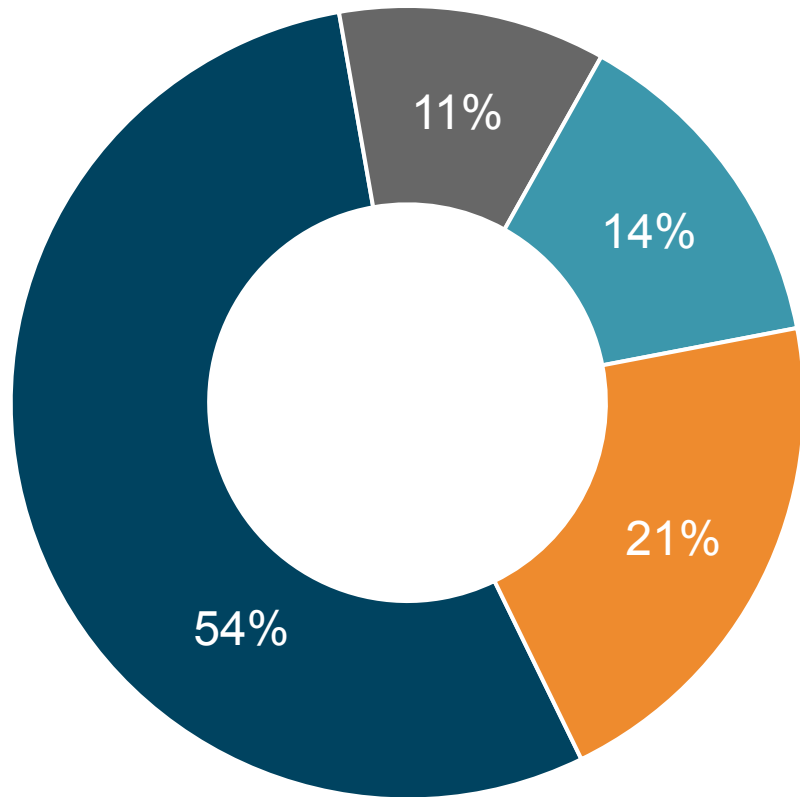
	Actual	Budget	Better (+) / Worse (-)
Personnel	11.6	11.9	+3%
Travel & Meetings	2.2	2.2	-1%
Prof. Svcs.	2.9	3.8	+23%
Admin.	4.4	4.7	+7%
Total	**21.1**	**22.6**	**+7%**

Pie chart values: 54%, 21%, 14%, 11%

Total Operating Expenses: $21.1M

In millions, USD - unaudited

New gTLD Program – Multi-year Forecast
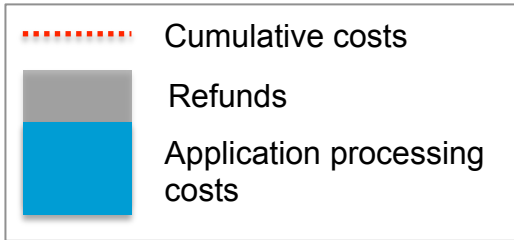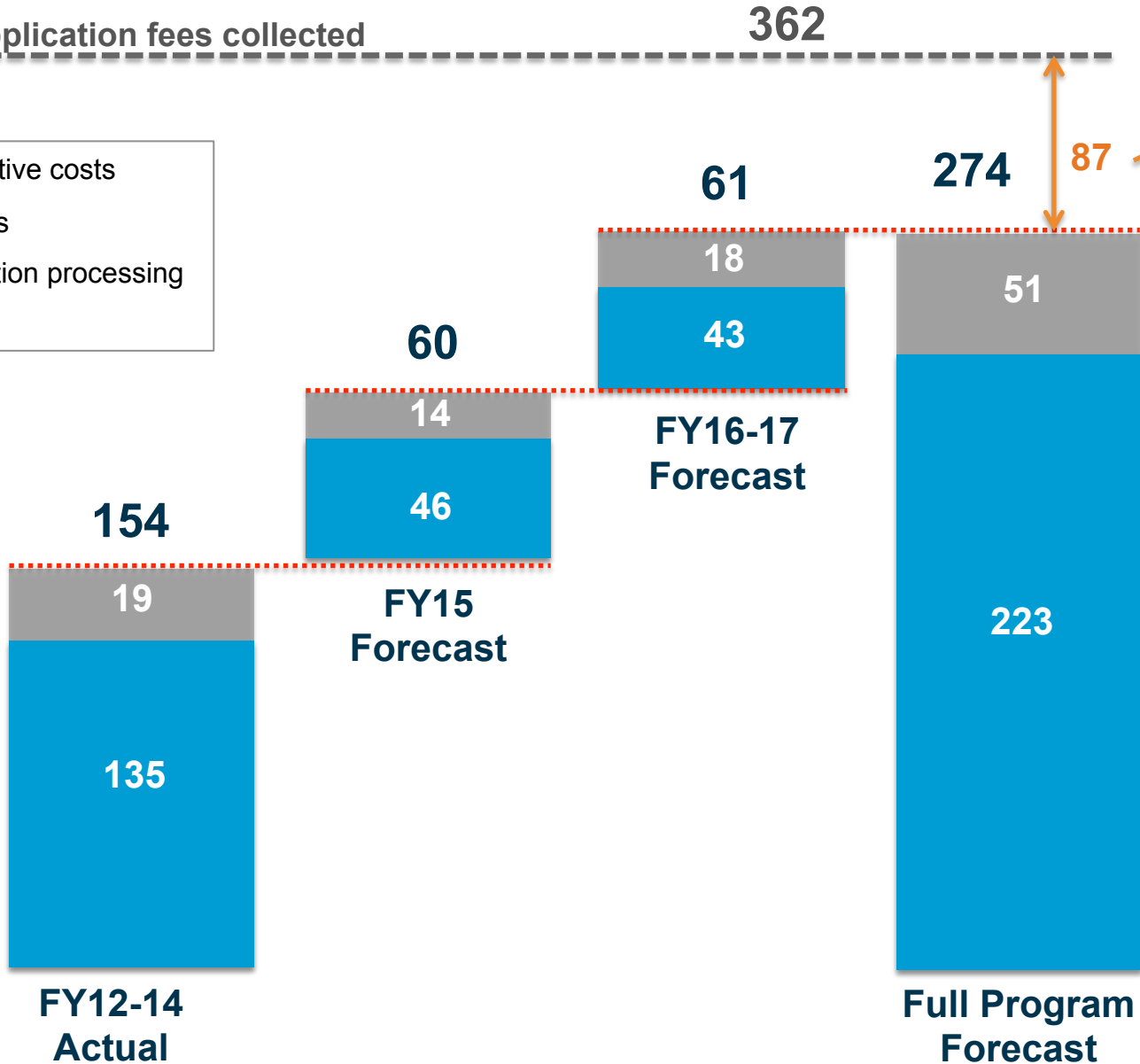
FY15 Q1 Progress vs. Budget – New gTLD Program

Refunds

1
Q1 Budget

3
Q1 Actual

10
FY15 Budget

Application Processing

7
Q1 Budget

5
Q1 Actual

32
FY15 Budget

Repayment of Historical Dev. Costs

1.3
Q1 Budget

.9

5.7
FY15 Budget

Q1 Actual

In millions, USD - unaudited
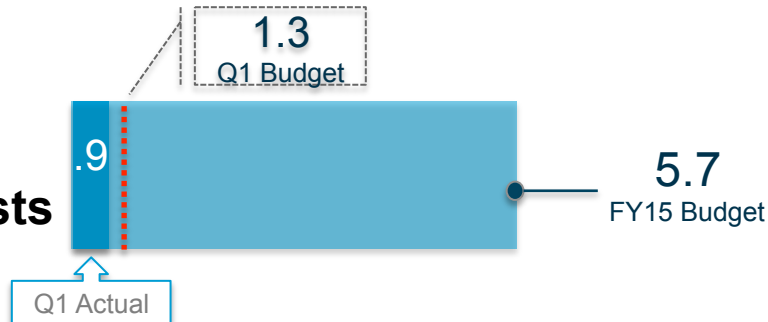
Funds Under Management
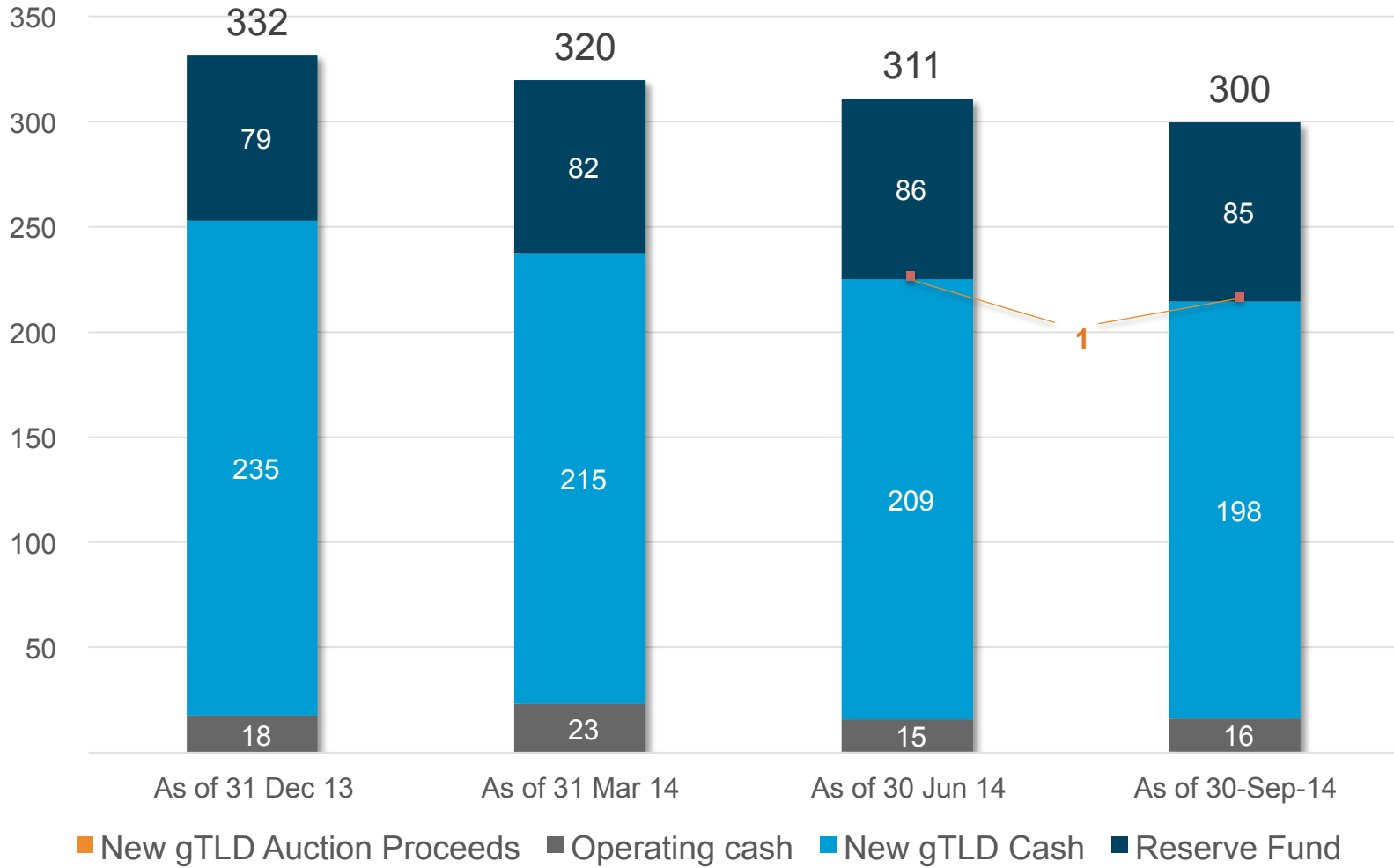
In millions, USD - unaudited

Questions?

More Information

ICANN.org

Visit the Quarterly Reports web page

For Journalists

Visit the For Journalists web page

Please join us for the Q2 Stakeholder Call on:

29 January 2015
14:00 UTC