Board Report – ICANN59 Workshop

June 2017

Period Covering: *11 April 2017 – 30 May 2017*

ICANN Org Executive Team Reports

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ICANN Org Report to the Board

Office of the CEO

Göran Marby, President & CEO

KEY HIGHLIGHTS & MILESTONES

In the period between meetings, I was focused on our core organizational operations, conducting reviews with members of the Executive Team, preparing for ICANN59 in Johannesburg, providing support to the Board's activities and meetings, and evaluating our crisis management strategies. In furtherance of my community engagement efforts, I attended ICANN and stakeholder-led events, including the GDD Summit and ICANN DNS Symposium in Madrid, Spain, and LACNIC27 in Foz do Iguaçu, Brazil.

OVERVIEW OF ACTIVITY

I continue to work closely with the Executive Team to streamline existing internal processes and develop new strategies to ensure the organization's long-term stability. I have also been working with the Board on developing a process to provide approval and review of large, multi-year projects, such as the Information Transparency Initiative (ITI) that is currently under consideration.

As part of my ongoing efforts to make the ICANN Organization more available and responsive to the needs of the community, I continue to have intersessional conversations with the leaders of our Supporting Organizations and Advisory Committees.

The majority of my travel during this period was concentrated in May, starting with the Executive Team meeting & Board workshop that was held in Geneva, Switzerland, from 4-7 May. These meetings require a significant amount of preparation work. The Executive Team meeting allowed the team to closely collaborate on how to effectively run the ICANN Organization in an efficient, transparent manner.

Following the Executive Team meeting, I attended the GDD Summit and DNS Symposium in Madrid, Spain, from 9-13 May. My goal in attending the summit and the symposium was to actively listen and learn about the concerns, issues and priorities of our contracted parties and the technical community, and get a better understanding of how the ICANN organization can appropriately help overcome the challenges they are facing. The summit also gave me an opportunity to discuss the "Hubba Bubba" project with those in attendance, which is critical as I work closely with Theresa Swinehart's team to prepare for further discussions regarding the project which are scheduled to take place during ICANN59.

Later in the month, I attended LACNIC27 in Foz do Iguaçu, Brazil, from 22-23 May. While there, I held a bilateral meeting with the LACNIC Board, aimed at reinforcing our existing relationship and building a layer of trust, which will allow both organizations to work closely in future capacity-building activities in the region. I also delivered a keynote speech during the LACNIC27 Opening Ceremony, where I stressed the importance of increasing regional participation, explained the importance of the KSK Rollover and more.

At the end of May, we convened the entire Executive Team in Los Angeles for two days of crisis management training, which helped us improve our readiness for crises. This is part of our ongoing efforts to strengthen the organization's operational stability. Finally, I attended EuroDIG 2017 in Tallinn, Estonia, from 6-7 June, where I participated in a "Lightning Talk" and attended a series of bilateral meetings.

TOP ISSUES & MITIGATION

Many of the risks and issues the organization is currently facing are provided in greater detail in the reports below. One of the main issues I continue to explore is balancing the organization's long-term financial stability while delivering the community's needs.

OUTSTANDING ISSUES FROM MAY 2017 BOARD WORKSHOP

Dates: 5-7 May, 2017
Meeting: Board Workshop, Geneva

Outstanding Issues:
- **Independent Review Investigation:**
  - Legal to request an update statement from the 3rd party on the independent review investigation to share with the Board and contemplate how to share with the Community in Johannesburg.
  - ICANN Org proposed to submit a scorecard on the IRP on .AMAZON.
- **Marketplace Dynamics Session II/ Funding 5-Year View:** ICANN Org to consider the suggestions provided and questions raised in session for future updates on the topic. Suggestions included:
  - Board members are interested in understanding if there is any impact of the new gTLD program on the secondary domain name market.
  - This type of interaction with the third-party speakers should be repeated periodically.
  - Note that the Board can't exercise oversight and fiduciary responsibilities on the numbers brought forward in this presentation; it will need to go beyond this.
  - There is a need to prioritize what ICANN is supposed to do to prevent impact on ICANN Org if there are issues with the funding.
- **Financial Strategy Sessions:** The Board asked ICANN Org to further develop the strategic plan to align future funding with costs – the first update is to be provided in Johannesburg. The Executive team will then come back with a proposal for the first Board meeting after Johannesburg.
  - ICANN Org also to look into ordinary efficiency gains
- **Financial Strategy Session IV: Community Engagement & Communication:**
  - The Board asked Göran to speak with SO/AC Leaders about the work done on the budget projections (that we're not in a situation with funds increasing anymore and therefore we have to look at our budget differently). ICANN Org will come to the Board with a proposal by Montevideo, to finish by Abu Dhabi, after which it can go public.
  - Scorecard with some speaking parts to be put together (also useful for the Board when communicating on this with Community members)
  - Clarify distinctions between changes in strategic plan, auction proceeds, and Reserve Funds

- **ITI:**
  - ICANN Org asked to provide identification of the risks and tracking of those risks inside the project. ICANN Org asked to clearly show the milestones and KPIs so that the Board can track whether or not goals have been achieved. ICANN Org to identify positive capabilities.
  - Board ops to schedule a Board information call to take place ASAP that will be followed by a separate discussion to talk about the budget aspects (funding), also before Johannesburg.
- **IDN Issues:** The Board asked Göran to send question on what ICANN Org could do to help with regard to the variance issue to the IDN WG.

Resolutions:
- None to report. There was no formal Board meeting in Geneva.

ICANN Org Report to the Board

Organization People
Diane Schroeder, SVP, Global Human Resources

ORGANIZATION PEOPLE HIGHLIGHTS

Since the last report, ICANN org metrics as displayed below remain relatively stable.

As of the end of May 2017, ICANN org has 393 people, which is 7 people more than the FY17 year-end budget projection of 386. Over the last three months, 23 joined and another 4 left.
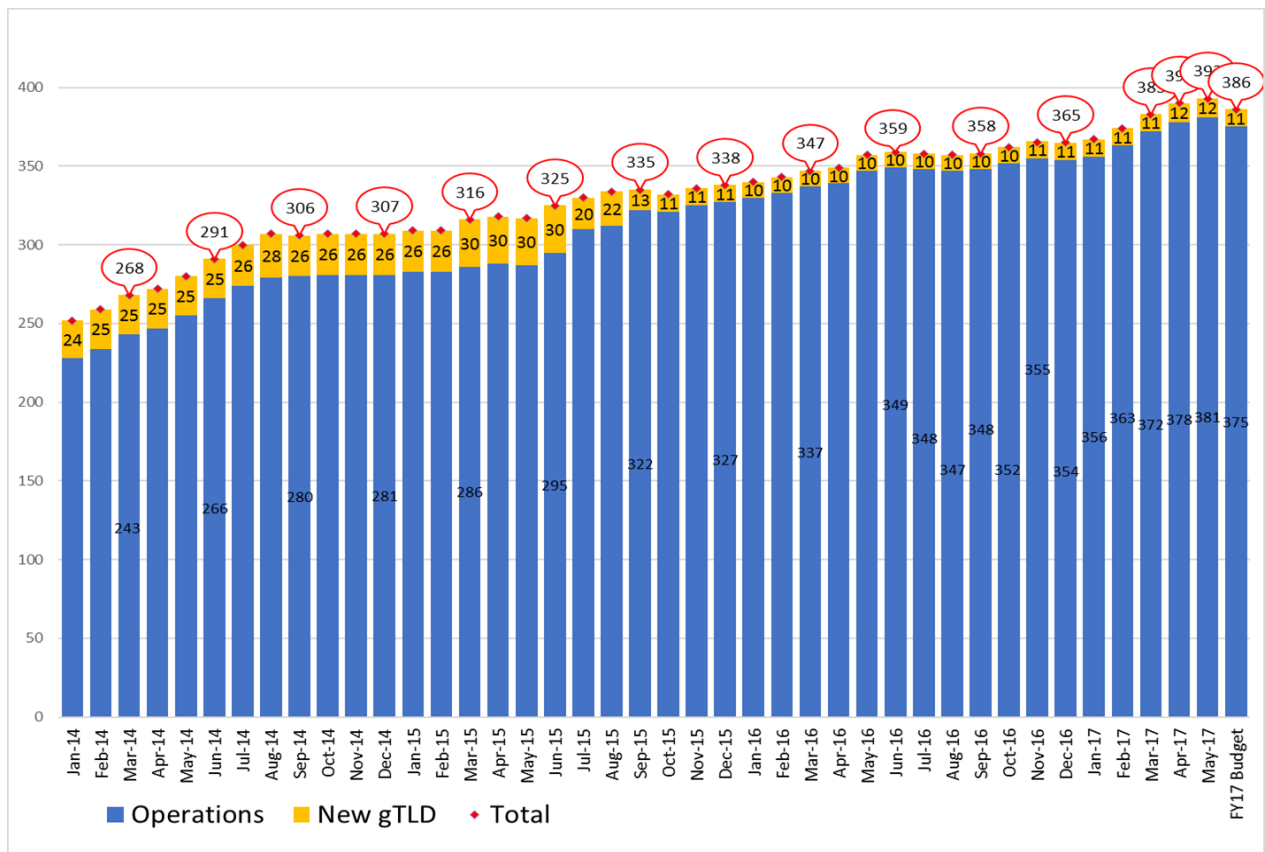

Annual growth rates (from June to June):

2013 - 2014	+46%
2014 - 2015	+12%
2015 - 2016	+10%
2016 – 2017 (to date)	+ 9%

ICANN Org by Locations: As of 31 May 2017, **North America Offices & Remote** consists of 234 (78%) in the Los Angeles office, 32 in the Washington DC office, 32 work remotely in the US, and 1 works remotely in Canada, totaling 299 (76% of the total organization).
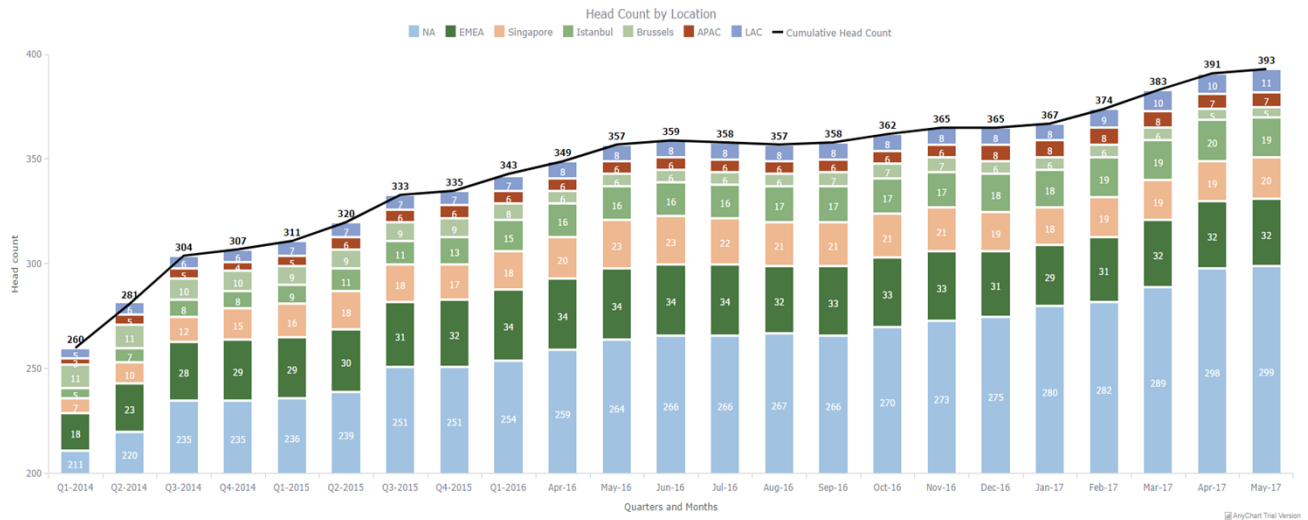
Voluntary turnover over the last three months decreased by 0.49%, to 8.12% as of May 2017 from 8.61% as of February 2017 (both on a trailing-twelve-month basis). By comparison, the benchmark is 12.7% worldwide. Most of ICANN's voluntary turnover in the last 3 months has been in the US (4). The benchmark for the US is 12.2%.
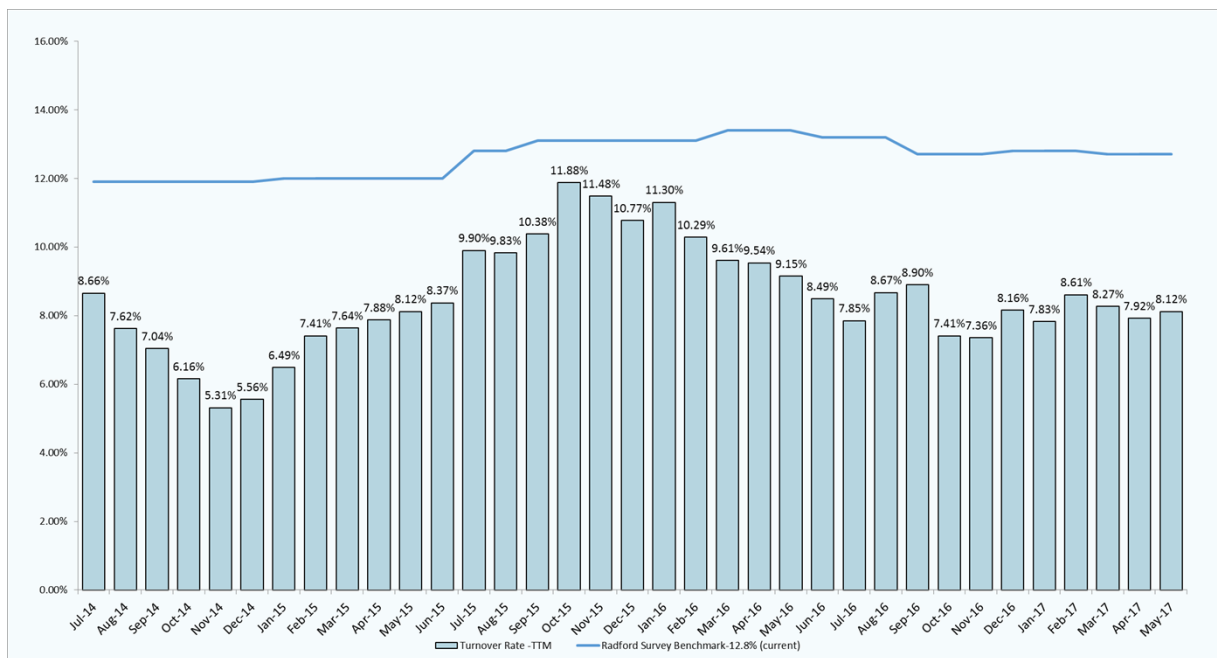
Comparing to FY17 year-end budget, most of the functional groups are close to the year-end target except GSE has 12% (6 people) less. Besides turnover, the variances are primarily related to reorganization for efficiencies and the start of a new functional focus on organizational sustainability

and advancements. Such new functions include Security Operations, Organizational Planning and Improvements, and Internal Controls Audit.
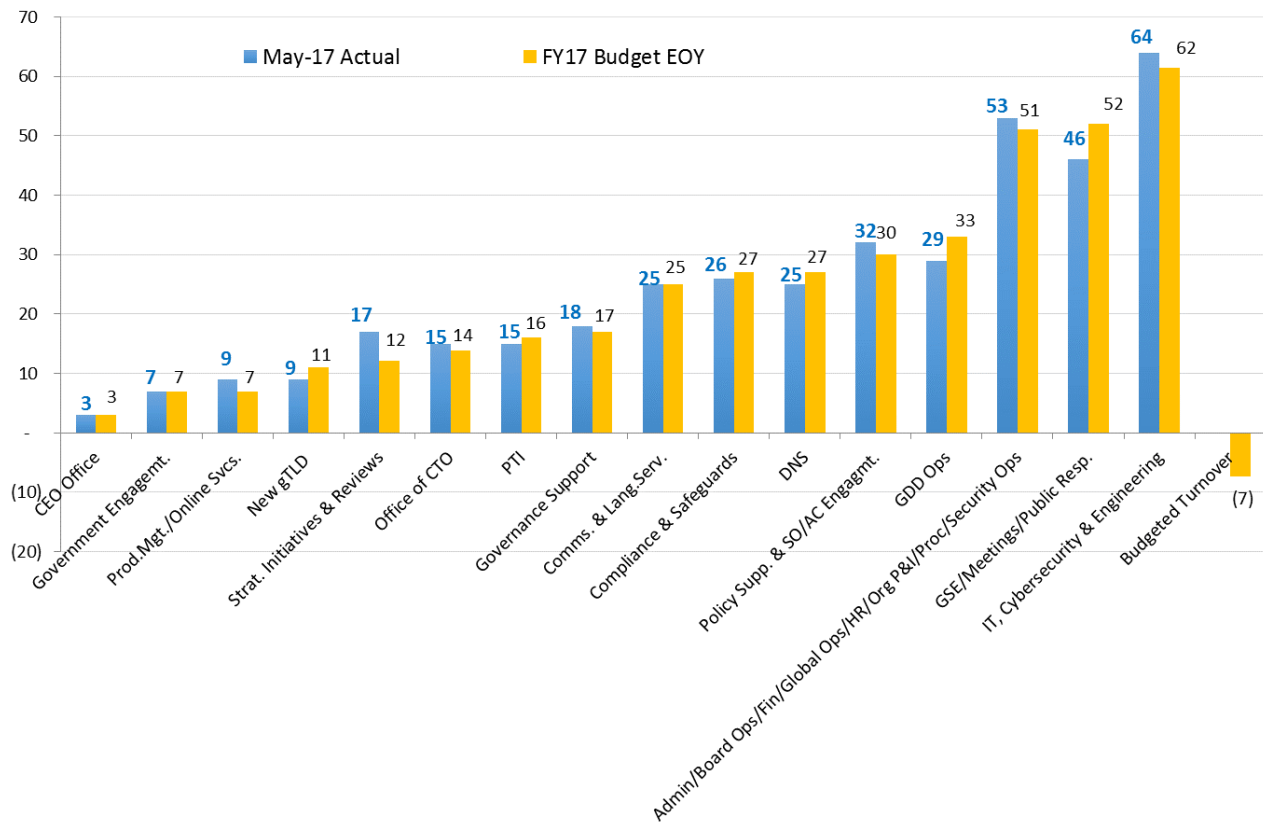
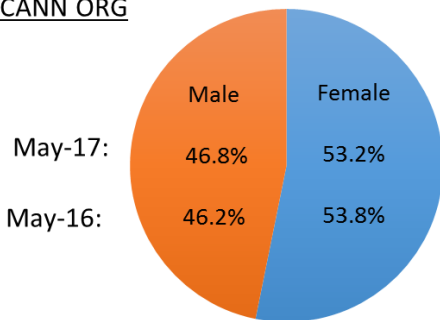The **gender diversity** of ICANN org is well-balanced with females having a slight majority. The 52-member senior management team is 38% female and 62% male. The Executive Team gender balance remains at 29% / 71% (female/male).

ICANN ORG

May-17:   Male 46.8%   Female 53.2%

May-16:   Male 46.2%   Female 53.8%

ICANN EXECUTIVES

May-17 & May-16

Male 71.4%   Female 28.6%
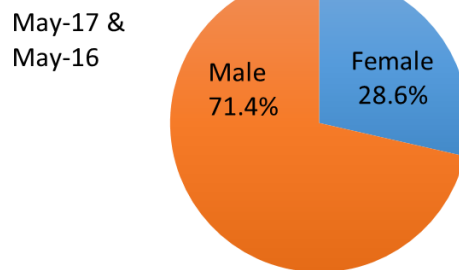
The **senior management** distribution is higher in the Americas and European & Middle East regions than the Asia Pacific region, which has higher percentage of operational functions (such as Contractual Compliance and GDD Operations). These are teams with less seniority and experience than the other regions. The distribution has been stable for the last couple of years, consistent with relatively low turnovers.

Achievement of global diverse culture and knowledge levels of staff - May 2017
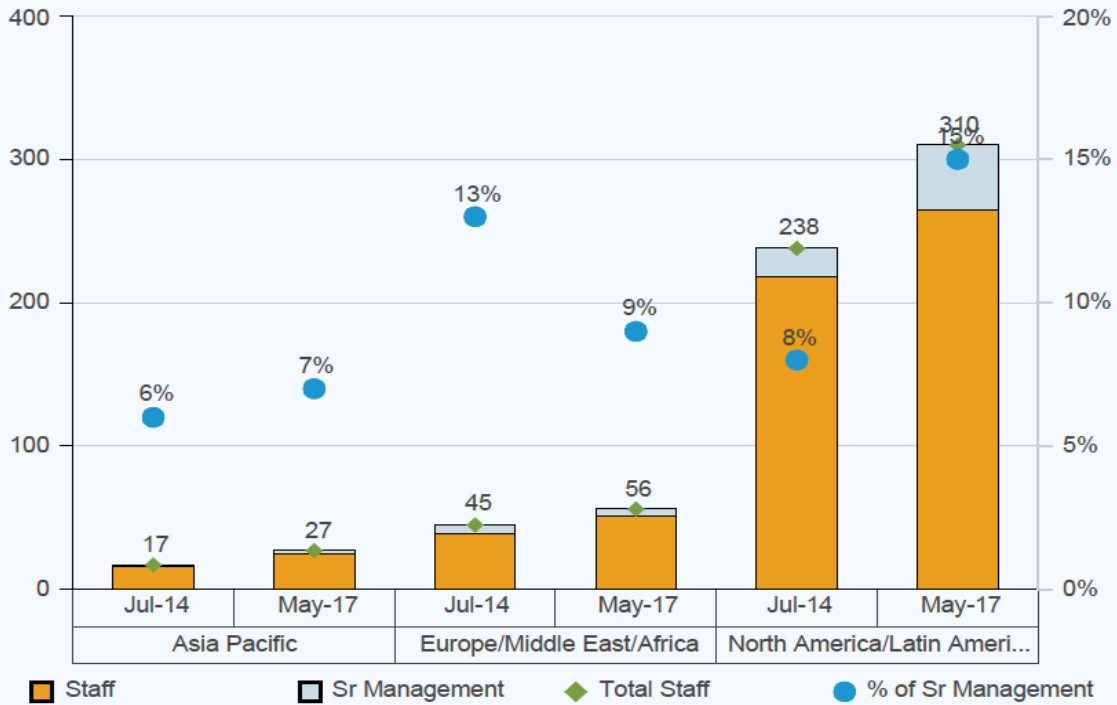
Location of all staff compared to senior management staff by region - growth in diversity of culture & knowledge.

Age distribution of the organization has also been stable over the last 3 years, averaging around 42 years of age, which is around the mid-point of most professional career progressions and is as expected relative to the high professional acumen requirements in most ICANN org positions.

The average **years of service** is around 3.8 years, reflecting the growth in 2013 and relatively low turnover.

Years of Service

Average: 31 May 2016 = 3.4 years, 30 May 2017 = 3.89 years
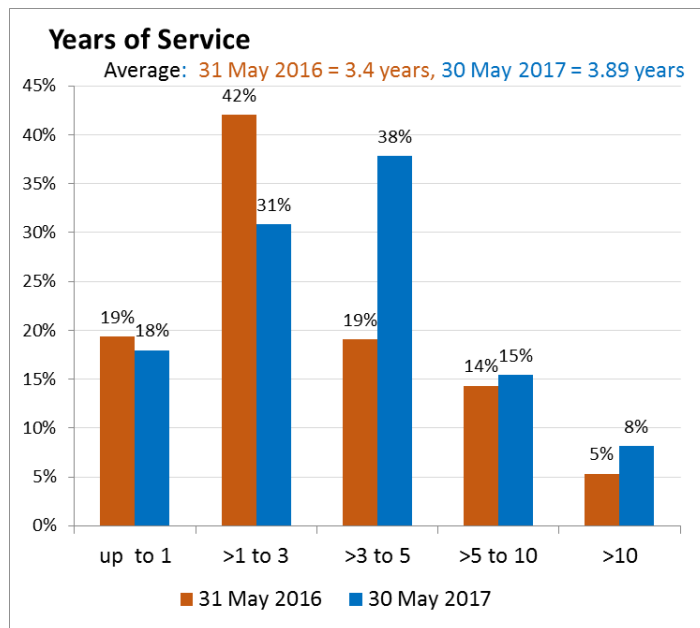
ICANN Org Report to the Board

Organization Finances

Xavier Calvez, SVP & Chief Financial Officer

FINANCIAL OVERVIEW

Please refer to the financial section of the FY17 Q3 Quarterly Stakeholder Call presentation, which is provided at the end of this document.

ICANN Org Report to the Board

Legal & Complaints Office Activities

John Jeffrey, General Counsel and Secretary

KEY HIGHLIGHTS & MILESTONES

- Continued efforts to facilitate the review of New gTLD Program Community Priority Evaluation process.
- Provided additional clarity to the community regarding the role of the Complaints Office.

OVERVIEW OF ACTIVITY

Contract Management: Supported the IT department on contract-matters related to the preparation of the Governmental Advisory Committee (GAC) website platform re-configuration and implementation. Supported the Office of the Chief Technology Officer on contracting requirements for the Key Signing Key rollover and the Information Transparency Initiative (ITI).

Legal Support for GDD and Policy Teams: Advised the GDD Team on gTLD issues, including renewal of legacy gTLD registry agreements, support for the 2017 GDD Summit in Madrid and community discussions regarding the European Union General Data Protection Regulation. Provided legal support on policy development processes, including those addressing Subsequent Procedures of the New gTLD Program and Protections for IGOs and INGOs.

Legal Support for Strategic Initiatives and Implementation of IANA Stewardship Transition: Supported internal implementation of the new post-transition processes, including Empowered Community processes and the launch of the first community power. Advised on Specific Reviews and supporting Board oversight process. Supported Work Stream 2 proposal development and coordinated organizational inputs into the WS2 subgroups. Supported the "Hubba Bubba" process mapping work.

Litigation and Internal Services: Final hearings held in Amazon v. ICANN Independent Review Process (IRP) on 1-2 May 2017 (.AMAZON and related IDNs), and Asia Green v. ICANN IRP on 4 May 2017 (.HALAL and .ISLAM). Facilitated further analysis requested by the Board regarding the Gulf Cooperation Council v. ICANN IRP Final Declaration. Produced an initial set of over 7,000 pages of mostly publicly available material to the Antitrust Division of the U.S. Department of Justice in response to the Civil Investigative Demand regarding Verisign's potential operation of .WEB.

Complaints Office: Announced an interim process for submitting, receiving, responding and reporting on complaints submitted to the Complaints Office. As of 31 May 2017, the Office is managing six complaints, and has referred 135 reports to existing complaints processes such as Contractual Compliance or Correspondence. The Complaints Officer and Ombudsman published a joint blog in May to clarify their roles.

TOP ISSUES & MITIGATION

The litigation issues are mitigated by maintaining a litigation readiness plan for relevant legal filings, as well as utilization of the risk fund for fees and costs. We regularly provide an attorney-client privileged version of litigation reports to the Board under separate cover, with specific notes to the Board regarding any significant litigation results as they occur. Ongoing litigation activities are published on the litigation page on the ICANN website: https://www.icann.org/resources/pages/governance/litigation-en.

ICANN Org Report to the Board

Global Domains Division: Domain Name Services & Industry Engagement, WHOIS Initiatives, IANA Functions, Product Management, Operations, Global Customer Support, Transition Implementation
Akram Atallah, President, Global Domains Division

KEY HIGHLIGHTS & MILESTONES

On 18 April 2017, the updated Procedure for Handling WHOIS Conflicts with Privacy Law was published. This revision, which incorporates an additional trigger to invoke the Revised WHOIS Procedure, was effective immediately. Now a registry operator or ICANN-accredited registrar may invoke the procedure by providing ICANN with a written statement, from an applicable government agency, that indicates an ICANN-contractual WHOIS obligation conflicts with applicable national law.

On 25 April, we initiated an Emergency Back-end Registry Operator (EBERO) simulation that was successfully completed on 3 May. This is the second simulation that has been conducted with a new gTLD. Lessons learned are used to support ICANN's efforts to ensure the security, stability and resiliency of the Internet and the Domain Name System. More information on EBERO is available here.

A panel was formed to develop DNS root zone Label Generation Rules (LGR) for the Latin Script. The Latin (or Roman) script is a major writing system of the world today, and the most widely used in terms of number of languages and number of speakers. There are additional LGR efforts underway by Chinese, Cyrillic, Greek, Japanese, Korean, Latin and Neo-Brahmi communities. In addition, the Arabic, Armenian, Ethiopic, Georgian, Khmer, Lao and Thai script communities have finalized their root zone LGR proposals, of which the Arabic script proposal has been integrated in the first edition of the Root Zone LGR.

We opened public comments on the proposed renewal of .NET registry agreement and the revised ICANN Procedure for Handling WHOIS Conflicts with Privacy Law: Process and Next Steps. The opportunity to comment on these topics closes on 30 May and 12 June, respectively. In addition, we published a summary report on the proposal for LGRs for the Ethiopic script public comment and are in the process of preparing a report on the IDN implementation guidelines public comment. In addition, we opened public comment on the Proposed Implementation of GNSO Consensus Policy Recommendations for the Protection of IGO&INGO Identifiers in All gTLDs.

In late April, we distributed a customer satisfaction survey to all ICANN contracted parties. The intent of the survey to help ensure that our activities are aligned with the needs of this community, help us improve the quality of our work, and improve the level of mutual trust. The survey closes on 2 June.

During the second week of May, we held our third annual GDD Industry Summit in Madrid, Spain, attended by more than 450 people from 60 countries, as well as dozens of remote participants. The main purpose of the GDD Industry Summit is to provide a forum for ICANN contracted parties to discuss issues of mutual interest and importance, share best practices, and meet one-on-one with members of the ICANN organization. Several executives including Göran, Akram, and a few Board members attended this year's event and actively engaged with participants.

GDD also participated in the Fourth Middle East Domain Name System (DNS) Forum in Cairo, Egypt. Cherine Chalaby, Vice-Chairman of the ICANN Board, and Akram delivered keynote speeches at the forum's opening session.

The Universal Acceptance Steering Group (UASG) coordination group held a face-to-face meeting in Redmond, Washington to review current activities and discuss goals for the next 18 months. Key topics of discussion included community outreach, email address Internationalization, and efforts to ensure open source programming languages are UA-ready.

On 27 April, the 29th Key Signing Key (KSK) ceremony was held in Culpeper, Virginia. These ceremonies are conducted four times a year to perform operations using the Root Key Signing Key. These ceremonies include involvement from [Trusted Community Representatives](#) (TCRs), who serve as one of the multi-layered safeguards that protect the key material used to secure the DNS Root Zone. With many of the individuals having served since 2010, we are now looking for volunteers to serve as TCRs to fill current and future vacancies. More information is available [here](#).

OVERVIEW OF ACTIVITY

New gTLD Program: In the period 12 April to 30 May 2017, the GDD team facilitated 2 delegations of new gTLDs, bringing the total delegated from the program to 1220. There are now 37 strings pending in the program, made up of 103 applications that have either not progressed to sign a registry agreement or not formally withdrawn from the application process. The primary issues impeding progress on the 103 remaining applications are the 53 of applications in contention awaiting the conclusion of the Review of the CPE process as Mr. Disspain mentioned in his [letter](#) to the affected parties on 26 April 2017, and the 20 applications collectively for .CORP, .HOME and .MAIL.

Action Request Register: In April, the ICANN organization provided an update on the implementation of the Action Request Register initiative. The results of this initiative will promote the transparency and, therefore accountability of ICANN. This initiative continues making good progress and prior to the ICANN59 Meeting we will have fully implemented Phase 1, using common process framework and tools for the handling of Advice to the Board from all four Advisory Committees as well as correspondence to the Board and CEO.

TOP ISSUES & MITIGATION

The European Union's General Data Protection Regulation (GDPR) and its pending May 2018 enforcement date is relevant to ICANN in at least two areas: (1) Personal data that participants in the domain name ecosystem collect and process, including registries and registrars pursuant to ICANN contracts; and (2) Personal data that ICANN collects and processes for internal or external services. GDD, as part of a broader group from the ICANN organization, is working with a representative group of registries and registrars to assess potential impact of the GDPR regulation on ICANN's contracts with registries and registrars. We are also conducting an internal assessment and plan to engage a third-party expert for an independent legal review on GDPR's impact for ICANN and its contracts. In addition, we will continue to engage with data protection agencies and Article 29 Working Party, as well as other relevant stakeholders, as appropriate.

ICANN Org Report to the Board

Contractual Compliance & Safeguards
Jamie Hedlund, Senior Vice President, Contractual Compliance & Safeguards

KEY HIGHLIGHTS & MILESTONES

Contractual Compliance Audit Program

Our Audit Program is a continuous and ongoing activity in Contractual Compliance. Below is a summary of current activities:

> ICANN completed the **4 October 2016 audit of the 2013 RAA** for the 47 registrars in its scope and issued the Individual Final Audit reports. ICANN is preparing the consolidated audit report and the target publication date is June. 15 registrars received a clean audit report. 32 are in remediation and will be tested in the next round. The 32 registrars represent the oldest batch of registrars since their last audit. Since these registrars were previously audited many have had registration systems changes, registrar service provider changes and personnel changes, thus resulting in the current round being the first audit for newly hired individuals. At the same time, ICANN has updated and improved the audit program through our continuous improvement initiatives. As such, there are additional audit test steps in the current round. The combination of these resulted in additional follow-ups.

ICANN completed a review of the responses and documentations submitted by the 22 registries from the **23 January 2017** audit round. The individual preliminary audit reports with initial findings are issued. Registry Operators will have the opportunity to address the initial findings per process before the Final Audit Report and the publication on ICANN.org. The audit in this round is inclusive of TLDs subject to safeguards applicable to Category 1 gTLDs (consumer protection, sensitive strings and regulated markets).

ICANN announced the hiring of its first Consumer Safeguards director (https://www.icann.org/news/announcement-2017-05-23-en). Bryan Schilling, who worked previously at the FBI, Microsoft and Google, started 1 June and will meet with the community in Johannesburg.

OVERVIEW OF ACTIVITY

Participation in the Global Domains Division Summit – Madrid 2017

Representatives from the team joined the GDD Summit in Madrid from 8-11 May. The team participated in a round-table discussion with the registries and registrars. An update was provided by Jamie about the consumer safeguards director position, creation of a community-wide ad hoc working group on contractual compliance and consumer safeguards issues (see his blog at https://www.icann.org/news/blog/six-weeks-in-contractual-compliance-and-consumer-safeguards) and an update on the contractual compliance efforts to support the community requests for more granular data and increased transparency. A recording of the session can be found at this link: https://www.icann.org/gddsummit.

On 12 May 2017, Contractual Compliance collaborated with the Office of the CTO's Identifier Technology Health Indicators team to present data related to Whois Inaccuracy review and analysis. The presentation can be found at this link https://www.icann.org/resources/compliance/outreach .

Continuous Improvement

Efforts are underway to publish more granular compliance data on ICANN.org, consistent with the various recommendations and requests from the Competition, Consumer Choice and Consumer Trust Review Team; the Governmental Advisory Committee; the Business Constituency; the Intellectual Property Constituency; and other stakeholders. The first step is to provide the granularity of data by legacy and/or new gTLD for Whois Inaccuracy and Abuse complaints per recommendations and for the transfer complaint type to facilitate the reporting related to policy work. The targeted date of completion is July 2017.

For the monthly operational dashboard, please refer to the Contractual Compliance Performance Measurement & Reporting page at https://features.icann.org/compliance, and for the compliance reports please go to https://www.icann.org/resources/compliance-reporting-performance.

TOP ISSUES & MITIGATION

None.

ICANN Org Report to the Board

Operations: Board Operations, Global Operations, Security Operations, Organization Assessment and Improvement, and Internal Controls Audit
Susanna Bennett, SVP & Chief Operating Officer

KEY HIGHLIGHTS & MILESTONES

FY17-SR2 performance evaluation and FY18 goals setting has provided this new team a timely opportunity to reflect, plan and align. The key theme of the new year is the focus on doing the right thing and doing things right. In addition to the activities outline below, there have been several cross-functional activities related to multi-year strategic/operating plan/budgeting plan, Board/Committee requests through Action Request Register, as well as high-level and specific board objectives.

OVERVIEW OF ACTIVITY

Board Operations continued work on the 2017 Board Workshops, executing the May Workshop in Geneva, along with the Board's activity at the ICANN GDD Summit/DNS Workshop in Madrid and RIPE 74 in Budapest. At the same time, the team began planning for the June Board workshop in Johannesburg/ICANN59 and the September workshop in Montevideo, Uruguay, where the Board will also have a presence at the LACNIC meeting and other events.

In May, following the Geneva workshop, Board Ops again worked closely with the Vice-Chair on tools to manage Board travel in accordance with the Board Travel Policy. Final preparations are underway for ICANN59, including communicating with various Community groups about having Board members attend their sessions in Johannesburg, and arranging a meeting between the Board with the AFRINIC Board. Early stage discussions about the Board's work at ICANN60 in Abu Dhabi are in the works as well. Meanwhile, Board Ops is working with various teams throughout the ICANN Organization and sub-sets of the Board on projects including the Board training program, Board Ops process documentation and improvements, Reviews, CCWG-Auction Proceeds and CCWG-Accountability WS2 proceedings.

The **Global Operations** team has been collaborating with the APAC regional team on the planning of the annual 2017 APAC All-Hands, which is set to be held in Malaysia from 7 to 9 June 2017 with 32 staff in attendance, including Sally Costerton. The key objectives of this regional meeting are to share knowledge, exchange learnings and ideas and establish new opportunities for collaboration. During the week before ICANN59, Susanna Bennett will also be in the APAC Regional Office. A key focus is to advance the alignment of the team's work with the international office strategy and organization-wide improvement programs.

The **Security Operations** team finalized the Event Security, Travel Security and Intelligence Security Program Frameworks, which have been reviewed by the Executive Team and are currently being reviewed by the Legal team. Implementation is targeted for this summer. At the end of May, the team conducted two half-days of crisis management training with the Executive Team and the designated Crisis Management Team and launched the Workplace Violence Prevention Program.

The team has also been "out in the field" providing safety and security support for several global events, including the GDD Summit and ICANN DNS Symposium in Madrid, RIPE in Budapest, the

Middle East DNS Forum in Cairo, and the CEO's trip to LACNIC in Brazil (which, despite protests and the overrunning and burning of government buildings in Brasilia, went smoothly). In Istanbul, Simon and Sean delivered travel safety and security training for all staff in the region and shared an overview of the Security Operations team and mission, as well as key elements of the Security Operations roadmap. While there, they also conducted a local risk assessment, reviewed security provisions at the Istanbul office and, as the pilot site for the new Emergency Response Program, began development of Istanbul's bespoke Emergency Response Plan.

The Security Operations team continues to build out its capability to monitor and respond to world events that may impact ICANN and its people. The upcoming launch of an emergency notification tool will greatly assist the team in this area.

The **Organizational Assessment and Improvement** (OA&I) team continued to collaborate with teams across the entire organization in achieving several significant milestones:

- The *organization-wide dashboard* is being enriched with a tool that will enable interactivity. This capability is an important part of our efforts towards providing increased visibility of the organization's operational data, in support of our accountability and transparency efforts. Therefore, we are changing the name from "KPI Dashboard" to "Accountability Indicators," to better reflect the purpose of this effort. The key features of this interactive capability include simple clicks to drilldown to multiple layers of charts, segmentations and source-data. About a third of the Accountability Indicators have been redesigned to leverage these new capabilities and improved measurements. We are targeting an internal release to just the organization for June, and will be releasing it to the community in August. The June internal release will help us solicit feedback from across the organization for enhancements before the August community release. We are also planning on working to import the underlying public source data to the Open Data Initiative (ODI) platform, which will enable the community to view and perform its own analysis, create visualizations and otherwise consume the data in whatever ways they choose, in the true spirit of open data. The Accountability Indicators can be a presentation layer and can serve as an example of the use of data through ODI to provide charted information.
- *Correspondence/ Action Response Register (ARR) Team* – Having extended the existing processes and developed an organization-wide structure/process to address correspondence to the CEO and the Board, this cross-functional team has stabilized the process, and is realizing established targets and working towards the next milestone of systematizing the collective correspondence process by end of the fiscal year. This will be followed by a launch of the development of a joint platform (ARR) to manage the requests and responses related to Board/Committee, policies, reviews and other formal requests from the community.
- *Excel@ICANN* core-team is completing the FY17 internal assessment (applying the excellence model – EFQM) feedback report to share and align with the organization on the organization-wide prioritization of targeted improvements.
- *Reporting@ICANN* core team has established and embarked on the implementation of the project plan to finalize the structure and process of reporting and streamlining approximately one third of the org reports around the end of the calendar year.
- *Project* structure and process improvements are being developed and targeted to be tested in FY18 for a FY19 launch.

The new Internal Controls Audit function is in the planning phase, and its establishment and progress will be shaped by the conclusion of the FY18 budget.

TOP ISSUES & MITIGATION

None.

ICANN Org Report to the Board

Global Human Resources, Administrative & Travel Services
Diane Schroeder, SVP, Global Human Resources

KEY HIGHLIGHTS & MILESTONES

Since the last CEO Report to the Board in early April, we began booking supported travelers to attend ICANN59, started assessments of performance for the second review period of FY17 and communicated results of the 2017 People Survey at the department level.

OVERVIEW OF ACTIVITY

Global Human Resources: ICANN's second semiannual review period for FY17 (FY17 SR2) closed on May 16. All 375 eligible staff conducted self-assessments of their 6 month goals, as well as their work-related behaviors. Managers then assessed goals and behaviors, conducting 1:1 conversations with all staff. The ICANN Organization is now in the process of setting new goals for the FY18SR1 semester. At-Risk payments reflecting these assessments are now being prepared and we are moving into the Annual Compensation Merit Review (ACMR), which is effective July 1. For the first time, both the At-Risk payment process and the ACMR process are being run using the Oracle ERP system.

Work continued on communications and action plans reflecting the results of the 2017 People Survey. The HR Business Partners are in the process of sharing department-specific results, as well as recommendations for actions. This project has provided an opportunity for the HR Business Partner program, which was rolled out earlier this calendar year, to integrate into departmental support on a regular basis.

Travel Services: To date, Travel Services has booked 355 supported travelers for travel to ICANN59. Additionally, we have started testing the use of an outside vendor to provide help for specific funded travelers who previously had difficulties obtaining visas to ICANN meeting locations.

Administrative Services: We continue to partner with the Security team on reviews of security at our various facilities, as well as participating in developing a Prevention of Workplace Violence Program and various emergency response plans.

TOP ISSUES & MITIGATION

None.

ICANN Org Report to the Board

Engineering & IT
Ashwin Rangan, SVP, Engineering & Chief Information Officer

KEY HIGHLIGHTS & MILESTONES

Engineering & IT (E&IT) - Practices Reviews

To potentially improve the end-to-end Product Management → Engineering → Product Release process for delivering IT-enabled services to the Community, we retained the services of an independent third party expert [Product Management consultant](#). His charter was to perform a review of our processes. His review culminated in 18 process-improvement recommendations. Together with the Product Management team, we are actively addressing these recommendations.

We have contracted with Leidos, an independent, 3rd party expert CyberSecurity organization (for the 4th year running), to review our IT Security preparedness, gauged against the CIS-20 framework of controls. We adopted the CIS-20 (formerly CSC-20) Framework as our 'go-to' reference framework in 2014. Leidos consultants are currently reviewing our progress; and their preliminary report-out is expected in time for the Johannesburg ICANN meeting.

We have also contracted with a local, independent, 3rd party expert Computer Networking organization to review our global networking topology. Their preliminary report-out is also expected in time for the Johannesburg ICANN meeting.

OVERVIEW OF ACTIVITY

No major accomplishments to report in Pillar 1 (Community Collaboration) and Pillar 4 (PTI).

PILLAR 2 – In support of Contracted Parties

The Naming Services Portal for GDD Registries (formerly called 'Highrise'): The Naming Services Portal (NSP) is a replacement portal for use by GDD Registries. The Registry Portal is a one-stop-shop for all transactional matters between Registries and ICANN Org. The NSP is built on a significantly more rugged, extensible, scalable and secure Salesforce.com (SFDC) platform.

A version of NSP was launched into Beta-1 shortly before Copenhagen. Seventeen users supporting 30 gTLDs signed up to exercise the system. During this period, additional functionality was added based on community feedback. Feedback was collected via 1:1 sessions with the community and, overall it was a very positive program with great support from Operations, GSC and Registry Services.

The next step is to incorporate some of the feedback from Beta-1 and launch a Beta-2 mid-summer where all Registry users will be invited to participate. Production launch in currently slated for September.

CZDS (Central Zone Data Service) – The next version: The Centralized Zone Data Service (CZDS) is ICANN's solution for scaling zone-data transfer as hundreds of new gTLDs are added to the Internet. Every new gTLD Registry is required to provide zone-data files to approved requestors (e.g., law enforcement agents, IP attorneys, researchers) upon technical delegation of its gTLD. The CZDS supports this requirement by providing a single web platform where requestors and Registries can

interact. Please see:
https://wecann.icann.org/people/bob.schumacher@icann.org/blog/2017/04/14/what-is-the-centralized-zone-data-service-czds-why-is-it-important for details of this service.
The original CZDS was not built to scale to the levels now demanded by the TLD marketplace. As the number of registries delegated to the root zone crossed 1,000, we started to see processing 'crunch-time' regress. This warranted re-factoring (i.e., re-writing) the code. It presented an opportunity to look at all other requests for upgrading CZDS as a platform.

We are mid-way through a redevelopment of the Centralized Zone Data Service (CZDS). This is scheduled to roll-out by Q4 of 2017. The new version will deliver quite a few benefits to the Registries:

    I.   integrate the approvals from Registries for zone files into the Naming Services Portal;
   II.   make available a mobile (iOS and Android) interface for requestors;
  III.   improve crunch-time considerations;
  IV.   build-out a much more scalable, 'future-proofed' platform underpinning CZDS.

PILLAR 3 – In support of Technical Services
Service Level Agreements Monitoring (SLAM) with Zabbix: As a part of the gTLD program, Registries were contractually obligated to perform to certain operating standards, written into their contracts. (See SPECIFICATION 10/Registry Performance Specifications in the approved Registry Agreement). The technical implementation of these specifications is in the form of **Service Level Agreements** (or SLAs). Failure on part of a registry to perform to a contractual SLA could lead – in the extreme – to invoking EBERO.

To monitor registries' performance against SLAs, ICANN has invested in a toolset. At the core of this toolset is a 3rd party tool, marketed as Zabbix, which is an enterprise-class open source monitoring software for networks and applications. It is designed to monitor and track the status of various network services, servers, and other network hardware.

ICANN leverages Zabbix to monitor many SLAs in Spec 10, globally and in close to real-time, gathering data from 45 'probe-nodes' which are globally dispersed. Data is gathered from these probe-nodes every minute and delivered to a monolithic central collector-processor for further analysis and SLA monitoring/ reporting.

Prior versions of Zabbix have been hitting the limits of scalability, due to the monolithic centralized design. A new version of Zabbix was co-developed to ICANN Specs for horizontal scalability (many central collector-processors). It was delivered by the vendor to ICANN Eng for testing during May. The new version is targeted for production deployment - after multiple rounds of testing and limited deployments – by December of 2017.

PILLAR 5 – In support of ICANN Org Operations: KPI Dashboard Version 3 (V3)
In 2015, the first version of a dashboard reflecting ICANN Org's performance against its strategic objectives and goals (a.k.a. '5 X 16') was released. It was called the KPI Dashboard. This dashboard is an essential and central tool to support ICANN Org's Accountability to the stakeholder community.

The initial version was improved with a version 2 in 2016. Both these versions were built on a Cognos database platform with native graphing. Both versions visualized data in a 'flat'/ static fashion. The stakeholder community requested dynamic, multi-dimensional, interactive charting, with access to the under-lying data sets.

Version 3 (V3) responds to the stakeholder community request. It has been re-platformed to leverage data from either spreadsheets or formal transactional databases (like SQLServer). The user-interface is new. It is an open source tool called AnyChart. At many levels, users accessing the dashboard have direct access to the underlying data in easy-to-access and -use formats.

A show-and-tell to the Board is being planned during the Johannesburg Board meeting. V3 will be released for internal (Alpha) consumption soon thereafter. General Availability (GA) is currently planned during the September-October 2017 timeframe.

The Planks: Focus on ease-of-use and security – a delicate balance
Nothing major to report on the Planks this month.

TOP ISSUES & MITIGATION

Issue Context: A recurring refrain from the stakeholder community has been frustration at not being able to access ICANN information easily, quickly or completely. The underlying reason for this is that ICANN Org has not historically invested in a holistic program to fully deploy and leverage enterprise-class document management system (DMS). Such a system is usually leveraged to quickly and easily surface content, which has been tagged and is relatable – by topic, or author, or date, or a combination. In this context, DMS is just the tool. The heavy-lifting lies with the content authoring functions, to leverage the tool for the intended outcome.

ICANN Org response: ICANN Org has been aware of this frustration for a while. To address this holistically, a cross-functional team (consisting of functional representation from Comms, Stakeholder Engagement, Policy, the CTO and Engineering, along with Finance for support) has been developing and examining possible approaches to address this frustration. This effort has been going on at various speeds since at least the ICANN public meeting in later 2015 in Dublin.

The ICANN Engineering response: ~ to this problem is to address the technical core of this problem with 2 "systems:" A back-end document management system (DMS) repository, wherein content of interest to the stakeholder community can be organized and tagged for ready-access; and a front-end content management system (CMS), with which such content can be published.

Tool choices: After extensive search, study and evaluation, ICANN Org (Eng and all the interested and involved functions) has chosen Alfresco for DMS and dotCMS for CMS. These tools comport with the Engineering enterprise technology strategy - of leveraging Java-based tools for Pillar 1 (Community Collaboration).

Issue: Likening ICANN's portfolio of web assets (we have 30+ of these), icann.org is like the sun, with a disproportionately high mass. As such, upgrading this website with massively differentiated capabilities is a big job. As with large-scale, multi-year initiatives, with a strong technology core, technology itself is just one of many dimensions to consider before moving forward. In this specific

case, other considerations include risk analysis and management, approach-planning to handling legacy content, availability of staff and/ or back-fills at the needful and appropriate times, time-phased deliverables, change management, program financing etc.

Mitigation: To move ahead in a methodical, responsible and measured manner, ICANN Org has requested guidance from the Board to jointly craft an appropriate approach which can guide ICANN Org's path forward.

ICANN Org Report to the Board

Office of the Chief Technology Officer
David Conrad, SVP & Chief Technology Officer

KEY HIGHLIGHTS & MILESTONES

- Domain Abuse Reporting Tool (DART) introduction
- Successful ICANN DNS Symposium and ITHI Workshop events in Madrid
- Root KSK roll project continues on track
- Open Data Initiative begins in earnest
- RFC 8145 "Signaling Trust Anchor Knowledge in DNSSEC", co-authored by OCTO Research member Paul Hoffman, is published

OVERVIEW OF ACTIVITY

Domain Abuse Reporting Tool (DART) introduction

After successfully demonstrating the DART platform in Madrid during the ICANN DNS Symposium, multiple ccTLDs have indicated a wish to have their TLDs measured by the tool. We are currently investigating what this would take from both a technical and legal standpoint. As mentioned in our brief to the board, there are licensing issues that need to be explored.

Successful ICANN DNS Symposium and ITHI Workshop events in Madrid

The ICANN DNS Symposium, the first technical event sponsored by ICANN focusing on DNS, was held in Madrid on 13 May 2017. Attendance exceeded expectations, with 216 people registering and nearly 170 attending. Presentations by; OCTO, GDD, PTI/IANA and DNS Engineering were enthusiastically received by an engaged audience. A smaller ITHI workshop, the third held outside an ICANN meeting, was also held in Madrid on 12 May. Approximately 20 people attended the session that focused on presenting two candidate metrics in the category of "Data inaccuracy" and "Domain Name Abuse".

Root KSK roll project continues on track

The root KSK roll project continues on track. The project team continues to publicize the KSK roll with presentations at events around the world, with recent presentations at the ICANN DNS Symposium and OARC 29 in Madrid, RIPE 74 in Budapest, NLUUG in Amsterdam, and the Middle East DNS Forum in Cairo. Preparations are underway to provide a letter to telecommunications regulators and GAC members describing the rollover and recommending in-country network operators be informed of the upcoming change of key on 11 October 2017. The ICANN test bed designed for operators to test their systems' ability to automatically roll trust anchors that was launched in March now has approximately 150 participants. The next major project milestone is the publication of the next KSK in DNS on 11 July 2017.

Open Data Initiative begins in earnest

The first phase of the project, undertaking a census of available data sets within ICANN, began in earnest with interviews of multiple ICANN department representatives. Early discussions with IT on a pilot have begun. Plans to bring on a consultant to assist with the project are proceeding, with the consultant expected to start in June. The project team hopes to have a pilot making the GDD registry monthly report data available by ICANN 59.

RFC 8145 "Signaling Trust Anchor Knowledge in DNSSEC", co-authored by OCTO Research member Paul Hoffman, is published

It would be useful for validating resolvers to signal to the root server system which keys they use as trust anchors. The recent publication of RFC 8145, co-authored by Paul Hoffman from OCTO, remedies this problem. The data from such signaling allow zone administrators to monitor the progress of rollovers in a DNSSEC-signed zone. There has already been some implementation since the publication of this RFC last month.

TOP ISSUES & MITIGATION

- Identifying appropriate contacts at telecommunications regulators to notify them about the keyroll has proven somewhat challenging.

ICANN Org Report to the Board

Global Stakeholder Engagement, Development and Public Responsibility, Meetings
Sally Costerton, Sr. Advisor to President & SVP, Global Stakeholder Engagement

KEY HIGHLIGHTS & MILESTONES

This report covers Global Stakeholder Engagement (GSE), Meetings and the Development and Public Responsibility Department activities from the ICANN 58 meeting through May 2017. In April and May 2017, Global Stakeholder Engagement participated in 118 events in 52 countries and territories, such as the GDD Summit and DNS Symposium in Madrid. Meetings supported nine events in four countries during this period.

OVERVIEW OF ACTIVITY

The Latin America & Caribbean team recently participated at the LACNIC meeting in Foz de Iguazu, Brazil and supported the CEO with several engagements in the region.

The Global Stakeholder Engagement team participated in the GDD Summit, DNS Symposium and related technical sessions in Madrid, Spain in May 2017. This provided an opportunity to interact with stakeholders on registry, registrar and technical topics. The following week, the team supported the 4th Middle East DNS Forum in Cairo, Egypt from 22-23 May 2017. The Forum attracted over 100 participants from across the region. GSE also supported the Africa Internet Summit in Nairobi (21 May-2 June 2017), Transform Africa Conference (10-12 May 2017), the IGF Sri Lanka (16-18 May 2017), the 2nd Belarus IGF (16 May 2017) and 2nd Pacific IGF in Port Vila, Vanuatu (17-18 May). The Belarus IGF attracted 300 participants and over 1000 online attendees from across the region. During the same week, GSE participated in the first World Hosting Days and Namescon events to be held in India (18-19 May). These events drew over 1,000 participants.

GSE is working with the Office of the CTO's Security, Stability and Resiliency team on a series of trainings and engagements with public safety entities in Europe during the month of May. Dave Piscitello from the OCTO SSR team also conducted a training for representatives of the engagement team while in Warsaw. This practical training will broaden the knowledge of DNS Security with the team and allow them to speak more effectively on DNS abuse and misuse topics with stakeholders.

The Asia-Pacific team conducted a series of meetings with Korean stakeholders in April 2017, including with representatives from ICANN's partners at the Korean Internet and Security Agency, the Ministry of Science, ICT and Future Planning, an open workshop with accredited registrars in Korea, and with community leaders from the Korean Internet Governance Alliance and Internet Address Dispute Resolution Committee.

In May, the Meetings team produced the Board Retreat in Geneva; the DNS Forum in Cairo; the GDD Summit, the ICANN DNS Symposium, and the SSR2 Review Team meeting, all of which took place in Madrid. They also provided technical and logistical support for the Identifier Technology Health Indicators (ITHI) Workshop, the Registration Operations Workshop (ROW), and the DNS Operations, Analysis and Research Center (DNS-OARC) Workshop, also in Madrid.

They are now focused primarily on the ICANN Meeting in Johannesburg in June, continuing to work closely with the SO/AC scheduling committee on final changes to the meeting schedule. In addition, they are fine-tuning all logistical arrangements for the ICANN Meeting. They are also providing support for the ICANN Capacity Development Workshop for African GAC Members on Law Enforcement and Consumer Protection, which will take place 23-24 June at the ICANN Meeting venue.

The Meetings team is also preparing for: future ICANN Meetings in Abu Dhabi, San Juan, Panama and Barcelona; the Board Retreat in Montevideo in September; the SSAC Meeting in Los Angeles in September; and the Eastern European DNS Forum in Minsk in October.

Development and Public Responsibility produced a draft document outlining the proposed scope and activities for an internal Human Rights Impact Assessment (HRIA) in FY18. The goal of the ICANN organization HRIA would be to produce actionable recommendations to improve the impacts of ICANN conducting daily business operations. The materials were shared with the Board, a process that will inform next steps.

The Gender Diversity and Participation survey has been finalized following feedback from WS2 Subgroup on Diversity and SOACs. The survey will close at the end of June 2017 and findings will be made publicly available sometime in July 2017.

The 10-year Fellowship Program Alumni Survey was closed in early April, with a little over 50% of the eligible 602 Fellows responding. As the final report is still under construction, preliminary findings point to the need to carry out the following activities in FY18:

- Improve collaboration with community outreach committees and GSE regional teams for access to regional events to support;
- Increase the use of ICANN Learn to satisfy requests for capacity development tools so that Fellows can be better prepared to join ICANN's working groups and review teams with identifiable skill sets;
- Focus on cross community collaborations; leverage Alumni interest/participation in ALSes with sector work, i.e. Commercial or Non-Commercial Business.

TOP ISSUES & MITIGATION

Global Stakeholder Engagement recently provided responses to the public comments on the FY18 ICANN Budget and Operating Plan. Face-to-face briefings are planned with several Supporting Organizations and Advisory Committees during ICANN 59 to discuss the priorities, activities and key performance indicators for Global Stakeholder Engagement.

Improved data from ICANN's Fellowship Program Alumni based on the most recent program survey is showing the value of following the stakeholder journey of participants. This information will help ICANN Organization understand how Fellowship Program alumni become involved within ICANN, take on leadership and other positions and contribute to ICANN policy work.

There continues to be strong demand in the regions for capacity development training, particularly on DNSSEC and DNS abuse/misuse. The Global Stakeholder Engagement team is working with the Office of the CTO's SSR team to match regional demand for training and ICANN subject matter expert speakers with available resources. Requests for training and in-person engagement exceeds the

available personnel from GSE and OCTO SSR. The teams are working together to identify requests further in advance, and if possible, to utilize community expertise with partners such as from the Network Startup Resource Centre, regional TLD organizations and others.

ICANN Org Report to the Board

Communications, Language Services, U.S. Government Engagement
Duncan Burns, SVP, Global Communications & Managing Director – Washington, D.C. Office

KEY HIGHLIGHTS & MILESTONES

The Communications team handled a wide variety of internal projects and outreach efforts during this period, while also beginning preparations for ICANN59 in Johannesburg. Our content-focused teams have made significant process in solidifying ICANN's content and style guidelines, and will shortly be releasing an updated set of document templates, which will allow staff to create materials in a unified style and with, over time, more accessible language. Our regional communications directors provided significant time and resources in support of local outreach efforts, including LACNIC27 and the GDD Industry Summit.

OVERVIEW OF ACTIVITY

ICANN59: As ICANN59 approaches, the Communications team is working to develop our standard meeting materials, including the crisis communications mitigation plan, a key messaging document, meeting newsletters and venue signage, as well as providing support to various internal departments. The Language Services team is translating key meeting-related documents and preparing to provide interpretation for meeting sessions.

KSK Rollover: As the date of the KSK Rollover nears, our team has increased our outreach efforts to ensure network operators and other interested parties are aware and prepared. We will be distributing a letter to Internet and telecommunications regulators around the world, asking them to reach out to the main DNSSEC-validating Internet Service Providers (ISPs) and network operators in their respective countries to educate them about the rollover. Additionally, we are collaborating with the five Regional Internet Registries to amplify our efforts and have conducted presentations at a wide array of regional events, including RIPE74 in Budapest, Hungary.

Information Transparency Initiative (ITI): Please refer to the Engineering & IT report for a joint summary.

ICANN.org: The Communications team recently took over responsibility for the ICANN.org website, so one of our primary areas of focus has been on improving the process for adding new content, managing existing content and increasing the speed of publication, while also working within the technical and resource limitations we have.

Regional Events/Outreach We Supported: Our regional teams provided support for a number of high-profile events in their respective regions, as part of our ongoing efforts to increase awareness of ICANN's role within the Internet ecosystem and increase participation in the community and policy development. Events included LACNIC27 (Brazil), the Middle East DNS Forum (Egypt), the GDD Industry Summit (Spain), Transform Africa (Rwanda), the World Economic Forum on Africa (South Africa), and the Russia Internet Forum (Russia).

Content Highlights: Our team recently released a comprehensive set of new ICANN-branded templates for Microsoft Word and PowerPoint, which will allow staff to create documents and

presentation in a consistent format. We are also nearing completion of a master "Slide Toolkit" for ICANN staff to use when speaking at events, which will include a majority of ICANN's latest content within its over 170 slides. Additionally, the ICANN Style Guide is in the final stages of its development. This guide will clarify plain English rules and help streamline translations.

TOP ISSUES & MITIGATION

We continue to explore ways to balance available resources with the continually increasing demand for Communications and Language Services support within the organization. This is coupled with the additional responsibility of managing the ICANN.org website and its related assets.

ICANN Org Report to the Board

Policy Development Support
David Olive, SVP, Policy Development Support & Managing Director – Istanbul Office

KEY HIGHLIGHTS & MILESTONES

Address Supporting Organization (ASO)

- ITEMS International continues its independent review of the ASO. The NRO Executive Council and ASO Address Council published a joint statement regarding the review outlining the effectiveness, accountability and purpose of the ASO in late May 2017. The draft report of the review is expected at ICANN59.
- RIPE74 and LACNIC27 took place in May 2017. AFRNIC26 was held in conjunction with the Africa Internet Summit. These regional Internet registry meetings featured trainings and workshops on matters such as IPv6 and Internet number resource policy discussions. Members of the ICANN Board and organization actively participated in each event, further deepening engagement between the names and numbers communities.

Generic Names Supporting Organization (GNSO)

- The GNSO Council approved and submitted its comments on the FY18 Draft Budget and Operating Plan (see https://gnso.icann.org/en/drafts/draft-comments-plan-budget-20apr17-en.pdf). In short:
    - The GNSO Council noted that many of their comments filed in response to the Draft FY17 Operating Plan and Budget were not adopted in the Final budget, and that some of these concerns persist in the Draft FY18 budget.
    - It would be helpful to also provide a second chart that summarizes the current fiscal year forecast and following fiscal year draft budget at the Goal level (on a page 11) and if possible by the Portfolio further down in the draft budget where the portfolios are detailed by Goal.
    - Projected growth in resources allocated for global engagement, ranked third largest by function, continues to raise questions about the value proposition of these expenditures.
    - The GNSO Council noted with concern that the FY18 budget, as in prior years, places a lower priority on resources supporting Policy Development versus other initiatives and programs.
    - FY18 Projections for new gTLD transaction fees (sec. 3.2 "Funding") show a best estimate of approximately 30% growth in funding derived from transaction fees associated with registrations in new gTLDs. Given that this level of growth is also established as the "low estimate," the GNSO Council strongly encouraged ICANN Finance staff to consult with GNSO contracted parties (and in particular, gTLD registry operators) to ensure that this assumption is supported by their growth projections for the corresponding time frame.
- Following the adoption of the GNSO Standing Selection Committee (SSC) Charter, the SSC was tasked to carry out the review and selection of GNSO endorsed candidates for the Registration Directory Service Review Team for Council consideration. The SSC delivered its recommendations to the GNSO Council which subsequently nominated, ranked in order: Susan Kawaguchi, Erika Mann, Stephanie Perrin and Volker Greimann as their primary four candidates for the RDS-RT. Furthermore, the GNSO nominated, in ranked order: Marc Anderson, Stefania Milan and Timothy

Chen to be considered for inclusion in the RDS-RT by the SO-AC Chairs should additional places be available.
- The GNSO Council completed, and transmitted to the Board, its review of gTLD policy issues covered by the GAC Communique from ICANN58.
- The GNSO is also continuing its work on ensuring the readiness of the GNSO as a member of the Empowered Community and hopes to finalize proposals for necessary changes and updates to the ICANN Bylaws and/or GNSO Operating Procedures shortly.
- Following two facilitated dialogue sessions with the GAC at ICANN58 to discuss the second-level protection of International Governmental Organization (IGO) and Red Cross Movement identifiers, in early May 2017 the GNSO Council voted in favor of considering the Board's request to initiate the GNSO's policy modification process described in Section 16 of the GNSO PDP Manual. The Board request and GNSO Council vote was limited to the specific GNSO policy recommendation concerning the names of the Red Cross National Societies and the International Red Cross Movement. Under the process, the GNSO Council may amend GNSO policy recommendations prior to ICANN Board consideration, subject to consultation with the original PDP Working Group and a public comment forum. The facilitated dialogue is expected to continue in relation to the topic of IGO acronym protections, along with completion of ongoing GNSO policy work on the issue of curative rights protections.
- The GNSO Council acknowledge the selection of Matthew Shears for Seat 14 on the ICANN Board and notified the Empowered Community Administration, the ICANN Secretary and the Decisional Participants of Matthew's selection (see https://gnso.icann.org/en/correspondence/bladel-to-empowered-community-administration-05may17-en.pdf).
- The GNSO validated the CCWG-Accountability-WS2 request for extension of mandate and funding for FY18.

The GNSO currently has 9 policy development processes in progress, which will continue to be a focus for next quarter. Naturally, these are at various stages of the Policy Development Process (PDP) life cycle. Issues being addressed in the Working Group phase include:
o New gTLD Subsequent Procedures - the Working Group conducted a community webinar on geographic names at the top level to facilitate a broad community-wide dialogue on this topic to feed into the PDP. It will hold another community session on the topic at ICANN59.
o Review of All Rights Protection Mechanisms (RPMs) in all Generic Top-Level Domains (gTLDs) - the PDP Working Group is on track to complete its initial Trademark Clearinghouse review and intends to keep to its work plan to complete Phase One (covering all the RPMs developed for the 2012 New gTLD Program round) by end-2017.
o Next-Generation Registration Directory Services to replace WHOIS - during ICANN58 this PDP Working Group met with several European Data Protection Commissioners to help inform its deliberations. It will hold a community session on specific topics of importance at ICANN59.
o IGO-INGO Access to Curative Rights Mechanisms - the PDP Working Group published its Initial Report for public comment in the first quarter of 2017. It has completed its review of all input received (including from the GAC) and is currently developing its proposed final recommendations.

Country Code Names Supporting Organization (ccNSO)

- The ccNSO continues to work on updating / new internal guidelines to meet the requirements of the 1 October 2016 ICANN Bylaws and its enhanced accountability. In light of the upcoming need to approve a Fundamental Bylaw change, the ccNSO guideline review committee initiated as discussion on the internal, ccNSO accountability and its role as Decisional Participant. This discussion is relevant for the ccNSO internal guidelines regarding the "empowered community" power to Approve certain actions (current work) and future internal ccNSO guideline on Rejection Actions.
- Following the initiation of the 3rd ccNSO Policy Development Process on retirement of ccTLDs and review mechanism pertaining to decision on delegation, transfer, revocation and retirement of ccTLDs in Copenhagen, the ccNSO Council has appointed the members of the WG on retirement of ccTLDs.
- The ccNSO Council has submitted a request to increase the number of traveling slots for the ccTLD community (both for Councillors and community members who actively participate in the work of the ccNSO.
- The Empowered Community Administration has been informed of the nomination of Chris Disspain for Board seat 11, term starting November 2017.
- Jordan Carter (.nz) has been appointed as ccNSO appointed co-chair of the CCWG Accountability, replacing Mathieu Weill
- The ccNSO Council and RySG have agreed on procedure to define the terms of reference for the first CSC charter review, with the intention to present the draft terms at ICANN 59.
- The ccNSO Council has informed the Board to defer its participation in the RDS /WHOIS 2 review.
- The ccNSO SOPWG has submitted its comments on the ICANN FY 18 Budget and FY 18 operating plan. As usual it was not submitted on behalf of the ccNSO as a whole.
- At the Copenhagen meeting (ICANN 58) Katrina Sataki (.lv) was re-elected as chair of the ccNSO. Byron Holland (.ca) and Demi Getschko (.br) were re-elected as vice-chairs. All have been re-elected for the term of one year.

Customer Standing Committee (CSC)
- The CSC continues to meet monthly. Core item is review of the PTI report to the CSC, and agree on the CSC report on PTI performance. This latter report is shared with community. To date performance is considered "satisfactory" and no structural persistent issues were identified.
- The CSC has adopted its internal procedures at its meeting in April 2017.
- Over the next months the CSC will focus on the Remedial Action Procedure (required), detailing the procedure to amend, change the agreed Service Level Expectations, which is grounded in the CSC charter, and internal CSC charter review to assist and inform the review by the ccNSO and RySG.
- The CSC will not have a formal meeting at ICANN 59 (not all members will be attending).

At-Large/At-Large Advisory Committee (ALAC)
- **At-Large Review** - The ALAC ratified their statement on the Draft At-Large Review Final Report on 31 March following intense and inclusive collaboration and discussion. The ALAC and At-Large Review Working Party continue to review the Final Report of the At-Large Review. The plans for the development of the Feasibility Assessment & Implementation Plan are being discussed.
- **Policy Advice Development** - From 14 April to 30 May 2017, the ALAC was busy with policy advice development activities. It responded to eight ICANN public comment proceedings, including the Community Comment 2 (CC2) on New gTLD Subsequent Procedures Policy Development Process,

[Competition, Consumer Trust and Consumer Choice Review Team Draft Report](#), and [FY18 Operating Plan and Budget](#). In particular, a group of nine At-Large members engaged in the development of the CC2 statement, responding in detail to questions posted in each Work Track. For a full list of ALAC comments and submissions, visit [HERE](#).

- In addition, the ALAC passed a [motion](#) to rescind its [advice](#) on the Proposed Guidelines for the Second String Similarity Review Process, which was submitted to the ICANN public comment last year. The advice essentially supports the [recommendations](#) of the ccNSO Extended Process Similarity Review Panel (EPSRP) Working Group. The validity of the advice was questioned after the ALAC reviewed the SSAC Advisory [SAC084](#), which raises concerns over the potential user confusability with the proposed process in relations to the Internationalized Domain Name Top-Level Domains (IDN TLDs). After exchanging views with SSAC and ccNSO at ICANN58, the ALAC was made aware that registry policy may resolve the user confusability issue, if such mitigation is committed to by the registry and is considered as part of the evaluation process. The ALAC encourages all concerned bodies to find a path forward that will not compromise security and stability or the rigor of confusability evaluation processes while ensuring timely deployment of IDN TLDs.

- **ALAC and Regional Elections** - The results of the ALAC and Regional Elections are currently being announced. The elections resulted in a good mix of experienced leaders returning as well as new leadership within several of the regions. Newly elected ALAC members are: APRALO: [Maureen Hilyard](#) (returning); AFRALO: [Seun Ojedejii](#) (returning); EURALO: [Sébastien Bachollet](#) (returning); LACRALO - [Bartlett Morgan](#) from the Caribbean; NARALO: [John Laprise](#). Full information is available at: [2017 ALAC and RALO Elections, Selections and Appointments.](#)

- Regional At-Large Organization Activities
  - NARALO General Assembly - NARALO held its 4th General Assembly from April 3 to April 5th in New Orleans, USA. The meeting was co-located with the ARIN 39 Public Policy meeting. NARALO members had the opportunity to attend the ARIN's Workshop and Orientation session and the ARIN's Public Policy meetings. The GA included a discussion on Policy Development and NARALO's views for a Strategic plan, an Interactive session with Göran Marby, which focused on policy, outreach and engagement and the role of At-Large. The GA closed with a review of the achievements, recommendations and follow up actions for 2017.
  - Updating Rules of Procedures - Three RALOs (AFRALO, EURALO and NARALO) are currently working to update their internal regulations in order to adopt them to the current reality. Through this work, those RALOs have embarked in a thoughtful review and in-depth analysis of their governance structures, decision making, performance metrics, accreditation, voting procedures etc. It is expected that the revised rules will result in more efficient and stronger RALOs and in accordance with ICANN's evolution throughout the years.

- [At-Large Structures](#) – There are currently 224 At-Large Structures in 101 countries and territories. This is an increase of 2 since the previous reporting period.
- Snapshot of At-Large Structures as of 26 May 2017:

Region	Number of ALSes	Countries & Territories with ALSes	ISOC Chapters as ALSes
AFRALO	53	30	30

APRALO	50	29	22
EURALO	38	18	11
LACRALO	54	21	9
NARALO	29	3	9
TOTAL	**224**	**101**	**81**

- **Preparation for ICANN 59** - At-Large will have a total number of 24 sessions during ICANN 59.
- Key issues for the ALAC will include policy issues, including New gTLDs, RDS, and use of country names. There will also be a focus on New gTLD Consumer Safeguards, DNS Abuse and Consumer Safeguards. The At-Large Review will be discussed as well.
- AFRALO will hold its General Assembly with 50 AFRALO At-Large Structure Representatives.

Governmental Advisory Committee (GAC)
- Leadership Elections – At ICANN58, Thomas Schneider announced that he will step down as GAC chair at the end of 2017. This means that a new GAC Chair should be elected at ICANN60, as well as five GAC Vice Chairs - the current Vice Chairs are all eligible for a second one-year mandate. Election preparations will start with opening the nomination period for all positions at ICANN59.
- Follow-up on GAC Copenhagen Advice – The GAC and the Board held a joint call on 27 April to clarify any questions regarding the most recent GAC Advice issued at ICANN58.
- Issues related to 2-Char SLDs - Two consultation calls were held on 17 and 18 May between ICANN Org Executives and interested GAC Members. A session on the matter is foreseen in the ICANN59 GAC agenda
- IGO and Red Cross Protections – The GAC, through its Chair and Vice Chairs, is participating in Board-initiated discussions facilitated by Bruce Tonkin with a view to resolve differences with the GNSO regarding these two issues, noting positive developments during ICANN 58 and progress thru email exchanges since then.
- New Bylaws Implementation – The GAC Chair, Thomas Schneider, is the GAC representative on the Empowered Community Administration. The GAC continues its discussion/decisions on process requirements for the Empowered Community inter-sessionally and at a foreseen GAC session in ICANN59.
- Review Team Appointments – The GAC has appointed/endorsed three applicants for the SSR2 Review Team and three for the RDS Review Team. The GAC has also expressed its views on the ATRT3 scope limitation proposal.
- Membership – The GAC welcomed Zimbabwe as a new Member at ICANN58, and has since then received St Kitts and Nevis as a new Member and COMTELCA as a new Observer, bringing the total GAC membership to 172 Members and 36 Observers (IGOs).

Root Server System Advisory Committee (RSSAC)
- The RSSAC conducted its fourth workshop in Reston, Virginia on 2-4 May. The RSSAC continued its discussions on the evolution of the root server system.
- Two Caucus work parties remain active drafting reports on root server naming schemes and best practices for the distribution of root server anycast instances.

Security and Stability Advisory Committee (SSAC)

- 14 April SSAC published SAC093, SSAC Comments on the Draft Recommendations of the CCWG Accountability-WS2 on SO/AC Accountability.
- 22 May SSAC published SAC094, SSAC Response to the New gTLD Subsequent Procedures PDP Working Community Comment 2. In this response, the SSAC identified publications and excerpted text from past SSAC advisories that address the topics areas and/or questions in the CC2 questionnaire on topics related to new TLDs.
- 25 May SSAC published SAC095, SSAC Advisory on the Use of Emoji in Domain Names. Emoji are pictorial symbols that are typically presented in a colorful cartoon form and used inline in text. In this advisory, the SSAC studied the suitability for emoji to be used as part of a domain name. Based on its analysis, the SSAC concludes that the use of emoji in any label of a domain name should be discouraged.
- Three SSAC work parties are in various stages of development: Centralized Zone Data Service/Whois Rate limiting, IDN Harmonization, and DNSSEC Workshop Planning.

Root Zone Evolution Review Committee (RZERC)

- 1 March, the RZERC selected Duane Wessels as the Chair. Duane represents the Root zone maintainer and his initial term is two years.
- 2 May, as part of an ongoing transparency effort, the RZERC opened its mailing list archive, transcripts and recordings of its teleconferences are also made available on line.
- The RZERC is currently finalizing a procedure document regarding its operation.
- To date, it has received no proposals for consideration.

Empowered Community and Empowered Community Administration

- Each of the five Decisional Participants in the Empowered Community continues to work on any updates or additions to its internal decision making processes that may be needed for it to carry out its rights and obligations as part of the Empowered Community under the new ICANN Bylaws.
- All five Decisional Participants have designated their representatives to the Empowered Community Administration, in some cases on an interim basis (e.g. ASO, GNSO, GAC) while they complete work on their internal selection processes.
- The Empowered Community Administration met at ICANN58 to discuss its responsibilities and scope, including in relation to the first Community Forum under the new Bylaws to be held at ICANN59.

TOP ISSUES & MITIGATION

Empowered Community and Empowered Community Administration

- The five Decisional Participants in the Empowered Community continue to review and update their internal processes to ensure that each is able to fully discharge its new responsibilities under the revised ICANN Bylaws, including in relation to expected upcoming powers to be triggered in relation to a Fundamental Bylaw amendment and ICANN's and IANA's budget for FY18."

Address Supporting Organization (ASO)

- ITEMS International continues its independent review of the ASO. The NRO Executive Council and ASO Address Council published a joint statement regarding the review outlining the effectiveness,

accountability and purpose of the ASO in late May 2017. The draft report of the review is expected at ICANN59.

Generic Names Supporting Organization (GNSO)
- The GNSO Council completed, and transmitted to the Board, its review of gTLD policy issues covered by the GAC Communique from ICANN58.
- Concerning the second-level protection of International Governmental Organization (IGO) and Red Cross Movement identifiers, in early May 2017 the GNSO Council voted in favor of considering the Board's request to initiate the GNSO's policy modification process.
- The GNSO currently has 9 policy development processes in progress, which will continue to be a focus for next quarter.

Country Code Names Supporting Organization (ccNSO)
- Following the initiation of the 3rd ccNSO Policy Development Process on retirement of ccTLDs, the ccNSO Council has appointed the members of the WG on retirement of ccTLDs.

At-Large/At-Large Advisory Committee (ALAC)
- The ALAC submitted eight policy advice statements during this reporting period.
- The At-Large Review Working Party continues to review the Final Report of the At-Large Review and are beginning to discuss the completion of the Feasibility Assessment & Implementation Plan.
- ALAC and Regional Elections were completed with a good mix of new and experienced leaders coming on board at the end of ICANN 60.

Governmental Advisory Committee (GAC)
- Issues related to 2-Char SLDs - Two consultation calls were held on 17 and 18 May between ICANN Org Executives and interested GAC Members. A session on the matter is foreseen in the ICANN59 GAC agenda.

Root Server System Advisory Committee (RSSAC)
- Two Caucus work parties remain active drafting reports on root server naming schemes and best practices for the distribution of root server anycast instances.

Security and Stability Advisory Committee (SSAC)
- Three SSAC work parties are in various stages of development: Centralized Zone Data Service/Whois Rate limiting, IDN Harmonization, and DNSSEC Workshop Planning.

The Policy Development Support Team continued to facilitate an increasingly active agenda of policy development and advisory activities of three Supporting Organization and four Advisory Committee. Our efforts focus on top priority issues within each SO-AC group and to help and support community volunteers while managing the processes each community has developed to do its work.

ICANN Org Report to the Board

Governmental and IGO Engagement

Tarek Kamel, Sr. Advisor to President & SVP, Government and IGO Engagement

KEY HIGHLIGHTS & MILESTONES

In May, there were several IGO engagement meetings where ICANN participated as part of the overall Internet Governance Ecosystem. These included GE team meetings with government and intergovernmental representatives and participation in the CSTD Enhanced Cooperation working group meetings as well as participating in, and supporting the CEO in a presentation at, the CSTD Plenary meeting in Geneva. The GE team also observed meetings at the ITU Council.

In addition, the GE team was very involved in the preparations for and hosting of the May Board workshop in Geneva. This included the presentation of the ICANN engagement strategy on Internet Governance with an emphasis on the Internet Governance Forum (IGF) which was presented at one of the open sessions of the Board Workshop. This material was based on the work done previously with the Board IG WG. Also, as part of the Board engagement in Geneva, many Board members and ICANN senior management members were hosted for lunch by the ITU SG and his senior elected officials and staff. The meeting included joint presentations by the two organizations, ICANN and ITU, on each other's engagement work and a discussion of the complementary roles they play in capacity building in ICT, as well as previous areas of collaboration in the regions.

Board leadership and the CEO were also received by UNDG Amb. Michael Möller, where discussions were focused on the future of IGF and the UN SDGs. Other outreach events for the Board in Geneva included a reception for the Community representatives in Geneva as well as a welcome dinner hosted by the Swiss Ambassador to the UN, V. Zellweger for ICANN's Board.

During May and June, the focus, in addition to the CSTD, and the Board Workshop preparation mentioned above, has been on preparations for ICANN participation at the WSIS Forum; the GAC African Capacity building pre-event for ICANN 59; the OECD Economic Committee meeting, the UN GGE (Governmental Group of Experts) meeting, and the High Interest topic on privacy and data protection for the ICANN 59 meeting itself.

During the report period, the GE team in cooperation with the GSE team also continued its regional government engagement activities with the related officials in different countries and regions as highlighted in the bi-monthly report to the Governmental Advisory Committee (GAC.)

OVERVIEW OF ACTIVITY

1.Liaising with the Governmental Advisory Committee (GAC)

Following the successful model established in Nairobi, Kenya and in Nadi, Fiji, a two-day workshop is being organized on June 23-24 in Johannesburg, dedicated this time to Law Enforcement agencies from our host country, as well as the African Union Commission, and from the Southern African Development Community (SADC) with 15 members and Regional Economic Communities. 50 participants are expected from regulatory and law enforcement agencies from the individual countries as well as regional intergovernmental organizations, GAC PSWG and SSAC. The workshop

will cover the Internet Governance ecosystem; the ICANN multistakeholder model; a tutorial on the DNS Ecosystem; Abuse of the DNS; WHOIS; key issues and processes at ICANN including data protection and privacy issues; DNS abuse mitigation and key GAC issues and processes relevant to law enforcement, consumer and data protection agencies. Full coordination is taking place with the Africa regional GSE team as well as the OCTO and MSSI departments at ICANN.

Government Engagement and Global Stakeholder Engagement regional teams continue to work with the GAC and regional members to identify interest for future trainings and possible hosts. At this point the preliminary project plans extend possible workshop dates and locations through February 2018 and once completed would mean that the workshops had been held five times across the least developed regions. A GAC member's capacity building session for Latin America is planned in September 2017 and another one in South Asia for February 2018.

2. Government and IGOs Engagement

The Governments and IGOs Engagement team continues its work with governments, global and regional intergovernmental organizations, as well as the country permanent missions and to the various IGOs and the UN in Geneva and New York.

In response to requests by missions in both Geneva and New York, the GE team continues collaborative hosted events to address technical topics of interest to the missions. In addition to explaining ICANN's mission, and how it works after the IANA transition, GE continues to stress the need for governments to stay engaged. The bimonthly GAC report, which is now being shared with the GAC, the Board and ICANN executives, has details of the bilateral meetings and events that have taken place during this time, April – May 2017 and the planned government activities of different departments at ICANN in June 2017.

The CSTD working group on Enhanced Cooperation (WGEC) held its third working meeting in Geneva May 3-5. Discussion focused (after the January meeting) on over 50 Recommendations for Enhanced cooperation including those proposing creation of a new UN /ITU fora for IG matters.

In addition, as part of the ICANN Board meeting in Geneva, Swiss Ambassador Zellweger hosted a dinner to welcome the Board of ICANN, and the presence of an ICANN office, in Geneva. The discussion at dinner addressed different global IG challenges. There was a joint meeting for members of the Board of ICANN and the leadership of the ITU, which featured presentations on mission and engagement activities and identified complementary roles, in areas of regional capacity building, permitting a greater understanding of each other's separate spheres of activity as well as past collaborative areas of work. In May, ICANN represented the Technical Community at the Economic Committee (CDEP) of the OECD in Paris. 3

3. Participation in Internet Governance Discussions

There were several strands of IG discussions in various venues in May and June 2017. In addition to the CSTD WG on Enhanced Cooperation referenced above, there was also a CSTD intercessional meeting in Geneva which adapted the annual WSIS Resolution. On Monday May 8th, the CEO of ICANN had a bilateral meeting, with Philip Metzger, DG of OFCOM/BAKOM, the Swiss Federal Office of Communications in the morning and represented ICANN at the CSTD Plenary in the afternoon.

ICANN continued to follow up the ITU Council meetings in May to determine the focus of the work for the Council WG on Internet related Policy for the coming year. No final determination was reached as to the focus of the Open Consultations during these meetings, so there will likely be two open consultations in the coming year: over the top (OTT) technologies, and Gender equality.

ICANN began the preparations for the IGF 2017 by submitting proposals for workshops and will also apply for an Open Forum slot, as well as preparing for ICANN's presence in the IGF village and other work in coordination with the ICANN community and other I* organizations on collaborative events. The GE team also supported the CCWG IG in the drafting of a proposed session for the community at the IGF. ICANN is also represented on the MAG and participated in the IGF MAG review of the workshop proposals for the IGF 2017 to be held in Geneva in December 2017.

The Government Engagement team, in conjunction with the European Global Stakeholder Engagement team, will support the CEO and Board members in participation in EuroDig June 4-7 in Tallinn, Estonia, and will also participate in the event.

The GE team worked with Board members in preparation for the WSIS Forum to be held from June 12-15 in Geneva. The activities include two main panels organized by ICANN related to capacity building in less developed countries and another panel organized by the CCWG-IG. ICANN has been invited also to participate in one of the opening panels about multistakeholder implementation of WSIS. Several bilaterals are planned with government officials from Africa, Latin America and other stakeholders from different parts of the world.

During the report period, we also worked with colleagues in the GNSO & CCNSO and meetings team on the design of the High Interest Topic on data protection and the GDPR track at the ICANN 59 Johannesburg meetings. This work is part of two ongoing strands – the operational track in collaboration with other departments at ICANN necessary for ICANN's contracted parties to be in compliance with the GDPR by the time of their implementation next year; and ongoing outreach to the governments in different regions as different privacy and data protection cyber regulations evolve in different parts of the world.

The GE team is also actively involved in the discussions with MSSI department regarding Human Rights and the tracking and analysis of the potential impact on ICANN and departmental work of the implementation of the Human Rights related bylaw. The GE team participates with the MSSI team on different WS2 issues.

On the law enforcement front, GE represented ICANN at a recent Interpol meeting on Cybersecurity in Austria.

ICANN's Government Engagement (GE) department will also be following the Government Group of Experts meetings to be held at the UN in New York from June 19th -23. GE will participate in the next iteration of the "Munich Security Conference on Cybersecurity" series, this meeting to be held in Tel Aviv on 28 June.

TOP ISSUES & MITIGATION

One of the focuses of government engagement activities in May and June 2017 has continued to be the dialogue to listen to the concerns expressed by governments at the ICANN 58 meeting and in the GAC communique about the release of 2 and 3 character codes at the second level and the release of country/territory names as second-level domains in new gTLDs. The GE team follows-up the discussion in these important issues and provides, in coordination with other departments, any necessary support to listen to governments concerns and explain the related real facts.

ICANN Org Report to the Board

Multistakeholder Strategy and Strategic Initiatives (MSSI)
Theresa Swinehart, SVP, Multistakeholder Strategy and Strategic Initiatives

KEY HIGHLIGHTS & MILESTONES

Several milestones were achieved in connection with the department's areas of responsibility, including overseeing and managing CCWG Work Stream 2, Organizational Reviews, the Specific Reviews, the Hubba Bubba (Process flows) Project, and the Strategic Outlook process. In relation to the GDPR and related data protection and privacy discussions, we are coordinating the cross departmental work on the respective ICANN departments and organization activities, with the CEO leading a task force call every two weeks on developments.

In relation to Work Stream 2, the team supported both the work of the CCWG chairs in their preparations and planning calls, as well as internal coordination and support for Work Stream 2 and the respective subject areas. Half of the groups have now progressed on their efforts to the point of developing documented recommendations for public comment.

On 16 March, the Board adopted charter revisions for the Organizational Effectiveness Committee (OEC) to expand its oversight to include Specific Reviews, unify the oversight responsibility for Organizational and Specific Reviews, thereby facilitating the streamlining of the Board oversight of both types of reviews. This development is expected to bring additional focused attention to Specific Reviews at the time that Specific Review activity is peaking, with four reviews taking place and the Operating Standards for Specific Reviews in development.

On Specific Reviews, the Competition, Consumer Choice and Trust Review Team (CCT-RT) published its Draft Report for public comment prior to Copenhagen, and received over 22 comments, including an in-depth feasibility analysis from ICANN.org. The second review of the Security, Stability and Resiliency of the DNS (SSR2) was formed and held its first face to face meeting in Copenhagen, followed by another in Madrid in conjunction with the DNS Symposium. The selection for the second RDS/WHOIS2 Review Team is complete. The third Accountability and Transparency Review (ATRT3) was launched on schedule, initiated with the Call for Volunteers that closes on June 2nd. Under the oversight of OEC and in line with best practices from transition related work, Board Caucus Groups have been formed as a mechanism to provide input to Specific Reviews on scope of work, feasibility of recommendations and other key matters. Additionally, to ensure transparency to the community on the resources relating to the Specific reviews, Fact Sheets are provided on a regular basis. These can be found on their respective wiki pages (see CCT and SSR) and are annexed to this CEO Report.

Regarding organizational reviews, ITEMS, the independent examiner conducting the At-Large review, delivered their Final Report in May, and the At-Large organization is preparing Feasibility Assessment and Initial Implementation Plan, to be considered by the Board along with the Final Report. The NomCom has formed a Review Working Party, and ICANN has engaged Analysis Group as the independent examiner; their work will begin in June 2017. The second review of the ASO was initiated by the NRO, in accordance with the Memorandum of Understanding and is underway. ITEMS, the independent examiner engaged by the NRO will present their draft report and recommendations at ICANN59, with the final report targeted for the end of July 2017. The ccNSO indicated their interest to

defer their review due to community concerns about workload and public comment proceedings to gather community feedback closed in May 2017 – see [report](#) of Public Comments. Preparations for RSSAC and SSAC reviews have begun; each organization formed a Review Working Party and is preparing for a self-assessment to inform the independent examiner, while preparations are underway for procurement of the independent examiners.

Regarding the Hubba Bubba Project, the organization is finalizing initial drafts of the Policy Development, Reviews, Advice and Correspondence, and Empowered Community processes. Select process maps were presented at the GDD Summit, and there are plans for additional input from the community at ICANN 59.

Regarding the organization's Strategic Outlook work, the Trend Expert teams have conducted a series of workshops to analyze the 5 key trends the board identified for the organization to do a deep dive on, and efforts to develop the initial trend report are underway and will be provided to the ICANN organization. In addition, the Organization continues to refine the future trends work started with this year's departmental workshops to identify strategic outlook trends for the upcoming FY18-19 timeframe. These trends will be consolidated through a process involving the strategic outlook network liaison group and executive team, for discussion with the Board at the ICANN 60 Board Workshop.

OVERVIEW OF ACTIVITY

The MSSI team is actively supporting four Specific Reviews (CCT, SSR2, RDS/WHOIS2 and ATRT3) under the Bylaws. Proposals to limit the scope of the RDS/WHOIS2 Review Team and the ATRT3 Review Team have been considered by the SO/AC leadership to avoid duplication of efforts with other community work underway such as the WS2 or the PDP on the Next Generation of Registration Directory Services. Although some SO/ACs have expressed their support for limiting scope, others prefer to allow the Review Teams to decide their scope. These proposals are in response to concerns about community bandwidth and its ability to effectively participate in all of these Specific Reviews.

In collaboration with the community and the Board, we are developing Operating Standards, a system by which to conduct reviews efficiently and effectively, in alignment with ICANN Bylaws, with community engagement and consultations that took place at ICANN57, webinars in February and further consultations during ICANN58. The team's focus had been on developing an outline of topics to be addressed in the Operating Standards and to catalogue existing processes and best practices. In light of several substantive Specific Review areas that have been impacted by the new bylaws, and to facilitate community's efforts to develop and document new processes, the team is developing options for community's consideration. The substantive areas include: Selection Process for Review Teams, Role of Review Team Observers, Confidentiality Requirements for Review Team Members, Scope of the Review, and A Process for Amending Operating Standards on a go forward basis.

The independent assessment of the ICANN Office of the Ombudsman has been launched, and the firm Cameron Ralph has been engaged. The assessors delivered their Draft Report in May 2017. This independent assessment will inform the work of Work Stream 2 Ombudsman subgroup and is in line with the recommendation issued by the Second Accountability and Transparency Review Team (ATRT2).

TOP ISSUES & MITIGATION

The Bylaws have introduced new requirements applicable to Specific Reviews, causing uncertainty regarding the implementation of new processes under the Bylaws, many of which are to be described in Operating Standards. This is in addition to new roles and responsibilities for the ICANN community in relation to the Specific reviews, including the SO and AC selection of review team members. Although the Bylaws state that Operating Standards are to be developed with the community for conducting Specific Reviews, these have not been finalized yet for the newly introduced processes, such as the selection of Review Teams or the determination of scope. We are working with the Community to produce Operating Standards to address these issues. On the topic of scope of reviews, the Bylaws only specify items that are allowed to be part of the review team scope, but do not reserve the right of developing the scope to the review team nor specify the process by which a Review Team's scope is to be developed. A good practice suggests that scope is defined before reviewers are selected so that resources can be properly allocated and reviewers understand and are willing to commit to the full duration of the project. In the case of RDS/WHOIS2 Review and ATRT3, attempts to introduce a limited scope to address bandwidth concerns may not be feasible, as the community has not been able to reach consensus on the scope of reviews. Board Caucus Groups are being formed as a mechanism to assist the Board with providing input to Specific Review Teams on a range of topics, including terms of reference and scope of work (in the case of SSR2) and draft recommendations (in the case of CCT). The Board Caucus Groups also support the respective Board liaisons to the Specific Reviews.

Volunteer bandwidth and a busy review schedule continue to pose a challenge – reviews depend on active community collaboration by members with the requisite expertise. They also consume significant time and resources. With four Specific Reviews (CCT, SSR2, RDS/WHOIS2 and ATRT3) active over the next few months, there is a continued need to ensure sufficient community participation in reviews, and sufficient financial resources made available to conduct them. The selection process for the recently launched Specific Reviews (ATRT3 and RDS/WHOIS2) produced a relatively small applicant pool, which may lead to sub-optimal representation among these Review Teams from the perspective of geographic, gender, and SO/AC diversity. For Organizational Reviews, one of the upcoming reviews (ccNSO) is being considered for deferral for 12 months, which may offer some relief if there is community support for the deferral.

With regards to implementation of recommendations generated by Reviews, there are several important considerations – ability to implement recommendations to achieve desired impact, with many recommendations broad and difficult to measure; bandwidth to complete the implementation work given other concurrent community priorities; and the financial resources that may be required. For example, the GNSO is working on the implementation of 34 recommendations and has adopted a phased approach, with the work scheduled to take two years. Similarly, the CCT-RT Draft Report describes approximately 50 proposed recommendations for the new GTLD Program; the Board Caucus Group for CCT will be briefed prior to ICANN59. By any measure, these represent a significant undertaking which is likely to compete for resources with other high-priority activities.

With regards to Work Stream 2, the CCWG-Accountability has requested an extension of its work through the next fiscal year. All chartering organizations have expressed support for this extension except for ccNSO, which is expected to review the recommendation at ICANN59.

SSR and CCT Review Team Fact Sheets:

Competition, Consumer Trust and Consumer Choice (CCT) Review
Fact sheet as of: 31-Mar-2017

Overview:
ICANN is committed to ensuring that, as it contemplates expanding the top-level domain space, the various issues that are involved will be adequately addressed prior to implementation.

These include issues such as competition, consumer protection, security, stability and resiliency, malicious abuse issues, sovereignty concerns, and rights protection.

The AoC also requires ICANN to convene a community-driven review to examine the extent to which the introduction or expansion of gTLDs has promoted competition, consumer trust and consumer choice, as well as the effectiveness of: The application and evaluation process and safeguards put in place to mitigate issues involved in the introduction or expansion.

Wiki Page:	CCT Wiki Home Page
CCT-RT Email:	input-to-cctrt@icann.org
Review Questions:	reviews@icann.org

CCT Chair	Jonathan Zuck
Competition and Consumer Choice Subteam Chair:	Jordyn Buchanan
Safeguards & Trust Subteam Chair:	Laureen Kapin

Review Status (as of 31 March 2017)

| Start Date: | 13-Jan-2016 | Review Duration to Date: | 15 Months |
| Expected Completion: | 31-Jul-2017 | Total Expected Duration: | 19 Months |

79% — Complete, Based on Duration

93% — Budget Spent/Committed

Section I: People (as of 31 March 2017)

Review Team members: **17**

Volunteer Participation Rate: **69%** (0% – 100%)

ICANN Org (individuals involved at various times throughout Review): **12**

Face-to-face meetings:	7 Meetings
Calls (plenary and subteam):	72 Calls
Volunteer meeting & call time:	2,522 Hours
Personnel support time [1] (estimated hours and cross-organizational)	9,442 Hours

[1] Does not include time for Executives, Legal, IT Personnel and Other Organizational Support

Section II: Financial Resources (as of 31 March 2017)

Direct Review Costs (1)	FY17 Approved Budget [2]	FY17 Budget Spent to Date [3]	Committed FY17 Services [4]	Remaining FY17 Budget	Actual Expenses: Review to Date [3]	Total Spent and Committed to Date
Professional Services - IAG-CCT	$ -	$ -	$ -	$ -	$ 210,000	$ 210,000
Professional Services - CCT	$ 870,000	$ 510,000	$ 270,000	$ 90,000	$ 1,590,000	$ 1,860,000
Travel	$ 340,000	$ 180,000	$ 60,000	$ 100,000	$ 320,000	$ 380,000
Total	$ 1,210,000	$ 690,000	$ 330,000	$ 190,000	$ 2,120,000	$ 2,450,000

[1] Excludes ICANN Organization and overhead allocation.
[2] Based on the most recent month end financials (may not include recent expenditures). Represents expenses incurred since inception of work.
[3] Includes incremental approved professional services budget of $180,000.
[4] Professional services includes services from signed contracts to be provided or invoiced; travel includes upcoming scheduled meetings.

Section III: Milestones (as of 31 March 2017)

Project Management — 20% of total effort
- ☑ Adopt terms of reference
- ☑ Adopt work plan
- ☑ Assemble subteams
- ☑ Prepare templates
- ☑ Solidify list of projects
- ☑ Adopt discussion paper template
- ☑ Adopt report shell/framework

Research and Studies — 20% of total effort
- ☑ Identify data/sources needed for work
- ○ Analyze data from research and studies

Draft Report — 25% of total effort
- ☑ Assemble initial conclusions
- ☑ Populate discussion papers with findings and potential recs.
- ☑ Reach agreement on discussions papers
- ☑ Discuss/approve/consolidate findings and interim recommendations
- ☑ Approve interim recommendations
- ☑ Seek Board/ICANN Organization input on implementability of interim recommendations
- ☑ Circulate interim recommendation to Subsequent Procedures PDP WG
- ☑ Socialize interim recommendations with community
- ☑ Build and approve Draft Report for public comment
- ☑ Issue draft report for public comment and socialize draft recommendations with
- ○ Produce summary of public comment received
- ○ GDD to provide input on draft recommendations

Draft Final Report — 10% of total effort
- ○ Review public comment input and incorporate as appropriate
- ○ Review GDD input and incorporate as appropriate
- ○ Produce additional recommendations as appropriate and edit report accordingly
- ○ Publish reviewers' guide and redline of report for public comment
- ○ Circulate second draft report to New gTLD Subsequent Procedures PDP WG for input
- ○ Hold comment period and produce summary
- ○ Socialize changes to report with community

Final Report — 25% of total effort
- ○ Review public comment input received and incorporate as appropriate
- ○ Seek Board/ICANN Organization input on implementability of final recommendations
- ○ Circulate final recommendations to Subsequent Procedures PDP WG for input
- ○ Finalize Report
- ○ Adopt final recommendations and report
- ○ Socialize final report with community
- ○ Send final report to ICANN Board

TOTAL: **59%** Milestones Completed (0% – 100%)

Security, Stabililty and Resiliency (SSR2) Review
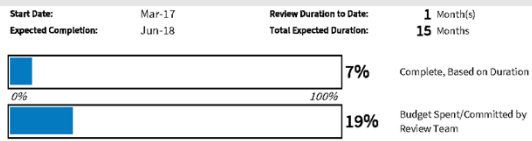
Fact Sheet as of: 31-Mar-2017

Overview:
The Board shall cause a periodic review of ICANN's execution of its commitment to enhance the operational stability, reliability, resiliency, security, and global interoperability of the systems and processes, both internal and external, that directly affect and/or are affected by the Internet's system of unique identifiers that ICANN coordinates ("SSR Review").
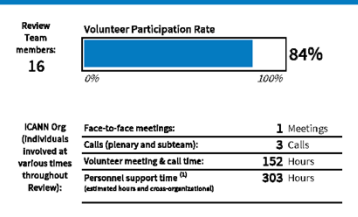
Wiki Page:	SSR2 Wiki Home Page
SSR2-RT Email:	input-to-ssr2rt@icann.org
Review Questions:	reviews@icann.org

SSR2 Co-Chairs:	Denise Michel
	Eric Osterweil
	Emily Taylor

Review Status (as of 31-Mar-2017)

Start Date:	Mar-17	**Review Duration to Date:**	**1** Month(s)
Expected Completion:	Jun-18	**Total Expected Duration:**	**15** Months

7% Complete, Based on Duration

0% — 100%

19% Budget Spent/Committed by Review Team

Section I: People (as of 31-Mar-2017)

Review Team members: 16

Volunteer Participation Rate: 84%
0% — 100%

ICANN Org (Individuals involved at various times throughout Review):

Face-to-face meetings:	**1** Meetings
Calls (plenary and subteam):	**3** Calls
Volunteer meeting & call time:	**152** Hours
Personnel support time [1] (estimated hours and cross-organizational)	**303** Hours

[1] Does not include time for Executives, Legal, IT Personnel and Other Organizational Support

Section II: Financial Resources (as of 31-Mar-2017)

Direct Review Costs[1]	Approved Budget	Spent to Date[2]	Committed Services[2]	Total Spent and Committed to Date	Remaining Budget
Professional Services	$200,000	$0	$0	$0	$200,000
Travel	$340,000	$20,000	$50,000	$70,000	$270,000
ICANN Org Support	$150,000	$0	$60,000	$60,000	$90,000
Total	**$690,000**	**$20,000**	**$110,000**	**$130,000**	**$560,000**

[1] Excludes ICANN Organization and overhead allocation.

[2] Based on the most recent month end financials (may not include recent expenditures). Represents expenses incurred since inception of work.

[2] Professional services includes services from signed contracts to be provided or invoiced; travel includes upcoming scheduled meetings.

Section III: Milestones (as of 31-Mar-2017)

Review Planning
20% of total effort
0% — 100%

- ☑ Determine role of observers
- ◯ Adopt legal docs (Conflict of Interest policy, NDA, Statement of Interest)
- ◯ Adopt Terms of Reference
- ◯ Adopt Work Plan
- ☑ Define project management responsibilities, including budget tracking
- ◯ Deliver proposal on division of work
- ◯ Establish need for consultant/independent expert
- ◯ Adopt outreach plan

Research and Studies
20% of total effort
0% — 100%

- ☑ Assemble repository of background materials
- ◯ Identify briefings/data sources needed
- ◯ Review metrics
- ◯ DNS Abuse Study - Interim results
- ◯ DNS Abuse Study - Final results

Draft Report
35% of total effort
0% — 100%

- ◯ Assemble initial conclusions
- ◯ Develop/adopt template for findings and recommendations
- ◯ Assemble findings and potential recommendations
- ◯ Consolidate/approve draft recommendations and findings
- ◯ Cross-check implementability of interim recommendations
- ◯ Board/staff input on implementability of interim recommendations
- ◯ Prepare Report shell
- ◯ Socialize draft recommendations with community
- ◯ Publish Draft Report for Public Comment

Final Report
25% of total effort
0% — 100%

- ◯ Review input received and incorporate as appropriate
- ◯ Cross-check implementability of interim recommendations
- ◯ Seek Board/staff input on implementability of final recommendations
- ◯ Finalize Report
- ◯ Adopt final recommendations and report
- ◯ Socialize final recommendations with community
- ◯ Submit Final Report to ICANN Board

TOTAL:
7% Milestones Completed
0% — 100%

Financial Update

Xavier Calvez
Chief Financial Officer

ICANN

ICANN Organization Reporting Structure

ICANN OPERATIONS		New gTLD PROGRAM	
FUNDING	PTI/ IANA **	FUNDING	ICANN ORGANIZATION
BASELINE EXPENSES *	PTI/ IANA **	EXPENSES	
	IANA STEWARDSHIP TRANSITION EXPENSES		
OPERATING FUND	RESERVE FUND	New gTLD FUNDS	
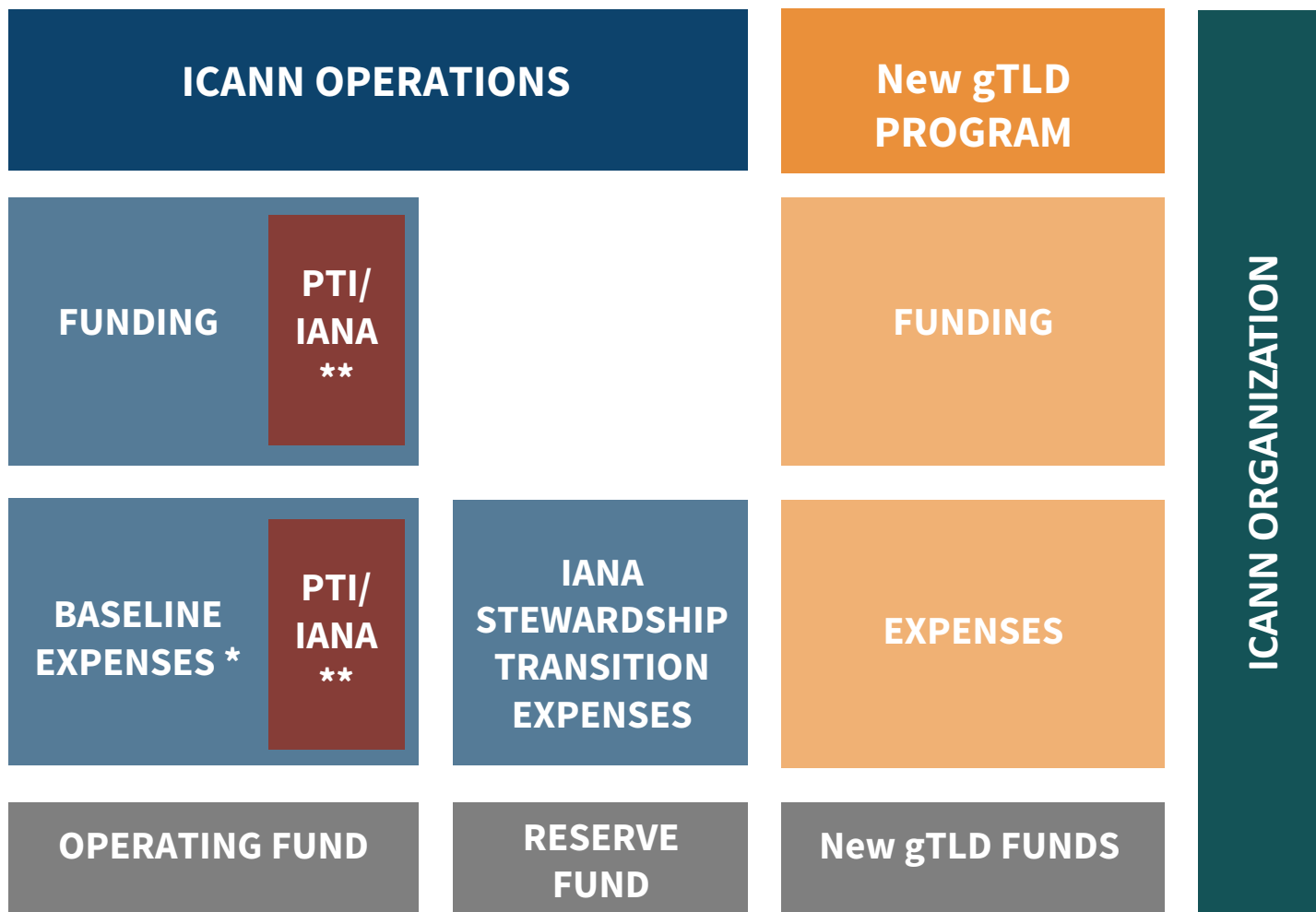
*Excludes depreciation and bad debt expenses

**IANA Services includes ICANN's and PTI's IANA Expenses

Funding ahead of target and Expenses below target.

	Actual	Budget	Var	% Var	FY16	Var	% Var
Funding	$ 105	$ 99	$ 6	6 %	$ 93	$ 12	12 %
Baseline Expenses	-$ 89	-$ 95	$ 6	6 %	-$ 76	-$ 13	-17 %
IANA Stewardship Transition Expenses	-$ 5	-$ 5	$ 0	-3 %	-$ 13	$ 8	62 %
Net	**$ 11**	**-$ 1**	**$ 12**	**n/a**	**$ 5**	**$ 6**	**96 %**

Breakdown of Baseline Expenses	Actual	Budget	Var	% Var	FY16	Var	% Var
IANA Services*	-$ 6	-$ 7	$ 1	16 %	-$ 5	-$ 1	-11 %
All Other	-$ 83	-$ 88	$ 5	6 %	-$ 71	-$ 12	-18 %

*IANA Services includes ICANN's and PTI's Expenses relative to IANA functions.

Note: Expenses exclude bad debt and depreciation and include capital expenses.

FY17 Year-to-date (Jul 16-Mar 17) Funding vs Budget and FY16

ICANN OPERATIONS

Funding ahead of target due to higher than budget new registrar application and accreditation fees

Actual:	$ 105
Budget:	$ 99
FY16:	$ 93

REGISTRY TRANSACTION FEE — Act $ 41, Bud $ 40, FY16 $ 39
REGISTRAR TRANSACTION FEE — Act $ 27, Bud $ 26, FY16 $ 26
REGISTRY FIXED FEE — Act $23, Bud $ 23, FY16 $16
REGISTRAR OTHER FEES — Act $ 12, Bud $ 7, FY16 $10
OTHER — Act $2, Bud $ 3, FY16 $ 2
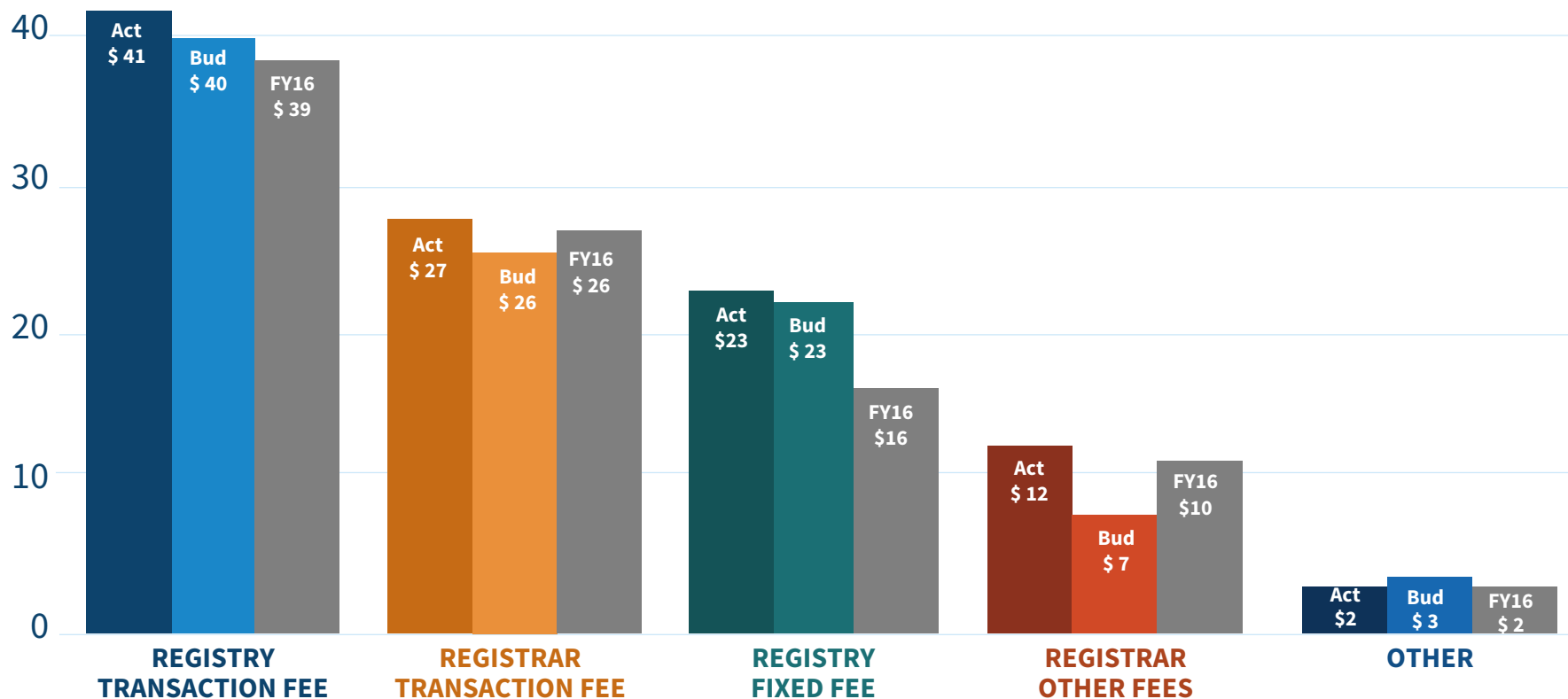
FY17 Year-to-date (Jul 16-Mar 17) Baseline Expenses vs Budget and FY16

Lower personnel costs and timing differences of projects vs. plan.

Actual:	**$ 94**
Budget:	**$ 98**
FY16:	**$ 89**

PERSONNEL
- Act $ 43 avg hdct 348
- Bud $ 47 avg hdct 365
- FY16 $ 39 avg. hdct 332

TRAVEL & MEETINGS
- Act $ 12
- Bud $ 13
- FY16 $ 10

PROFESSIONAL SERVICES
- Act $ 15
- Bud $18
- FY16 $ 12

ADMINISTRATION & OTHER
- Act $ 13
- Bud $ 13
- FY16 $ 11

CAPITAL
- Act $ 6
- Bud $ 4
- FY16 $ 3
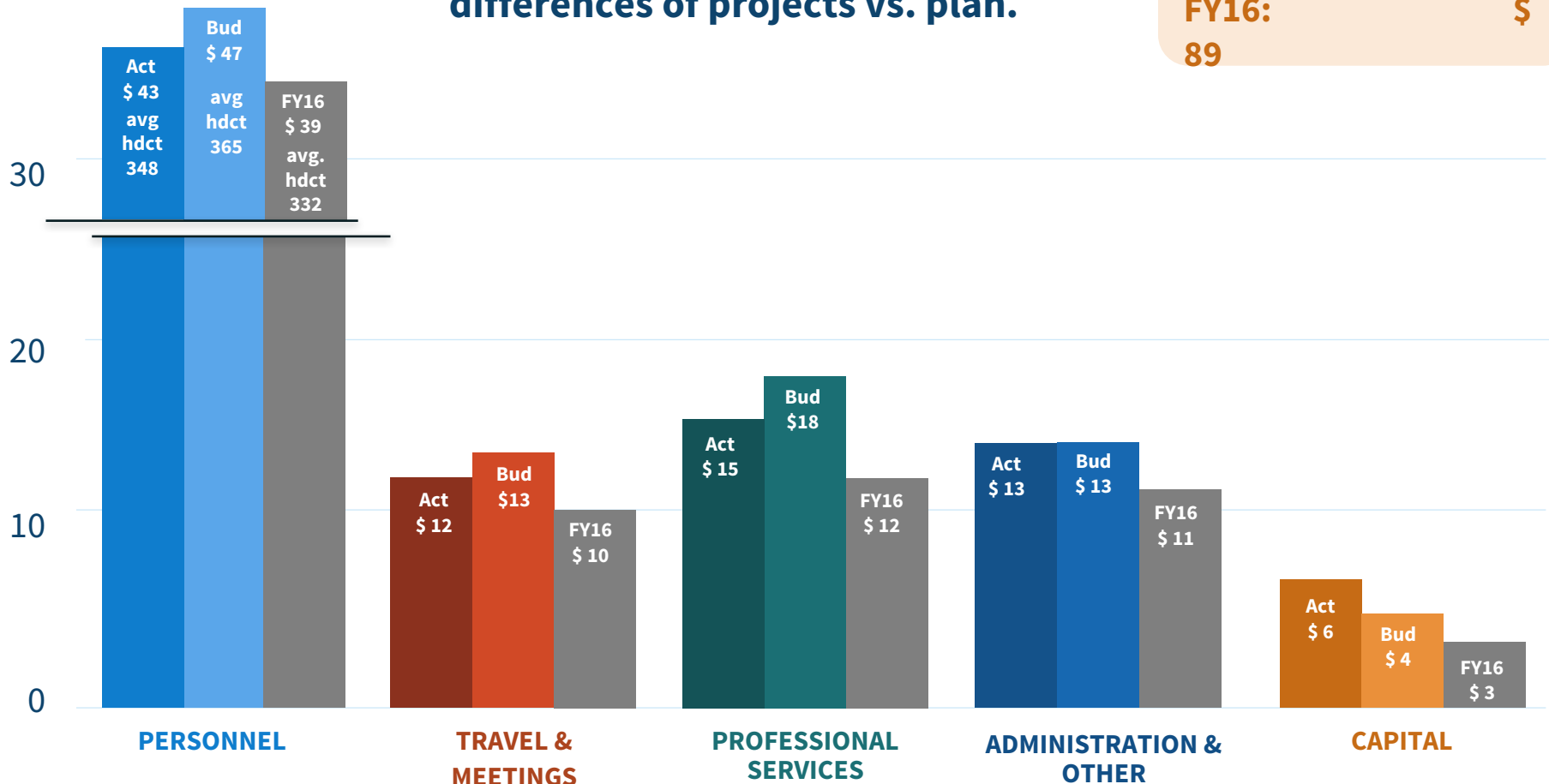
Expenses exclude bad debt and depreciation.
Avg hdct: Average Headcount over a 9-month period (Jul - Mar 2017)

FY17 Year-to-date (Jul 16-Mar 17) IANA Stewardship Transition Costs

ICANN OPERATIONS

Actual:	**$ 5**		
Budget:	**$ 5**		
FY16:			**$ 13**

PERSONNEL
- Act $ 2 avg hdct 11.1
- Bud $2 avg hdct 11.1
- FY16 $2 avg. hdct 13.2

TRAVEL & MEETINGS
- Act $ 0.1
- Bud $0.4
- FY16 $ 0.9

PROFESSIONAL SERVICES *
- Act $ 3
- Bud $ 3
- FY16 $ 10

ADMINISTRATION & OTHER
- Act $ 0
- Bud $ 0
- FY16 $ 0.1

CAPITAL
- Act $ 0
- Bud $ 0.1
- FY16 $ 0.1
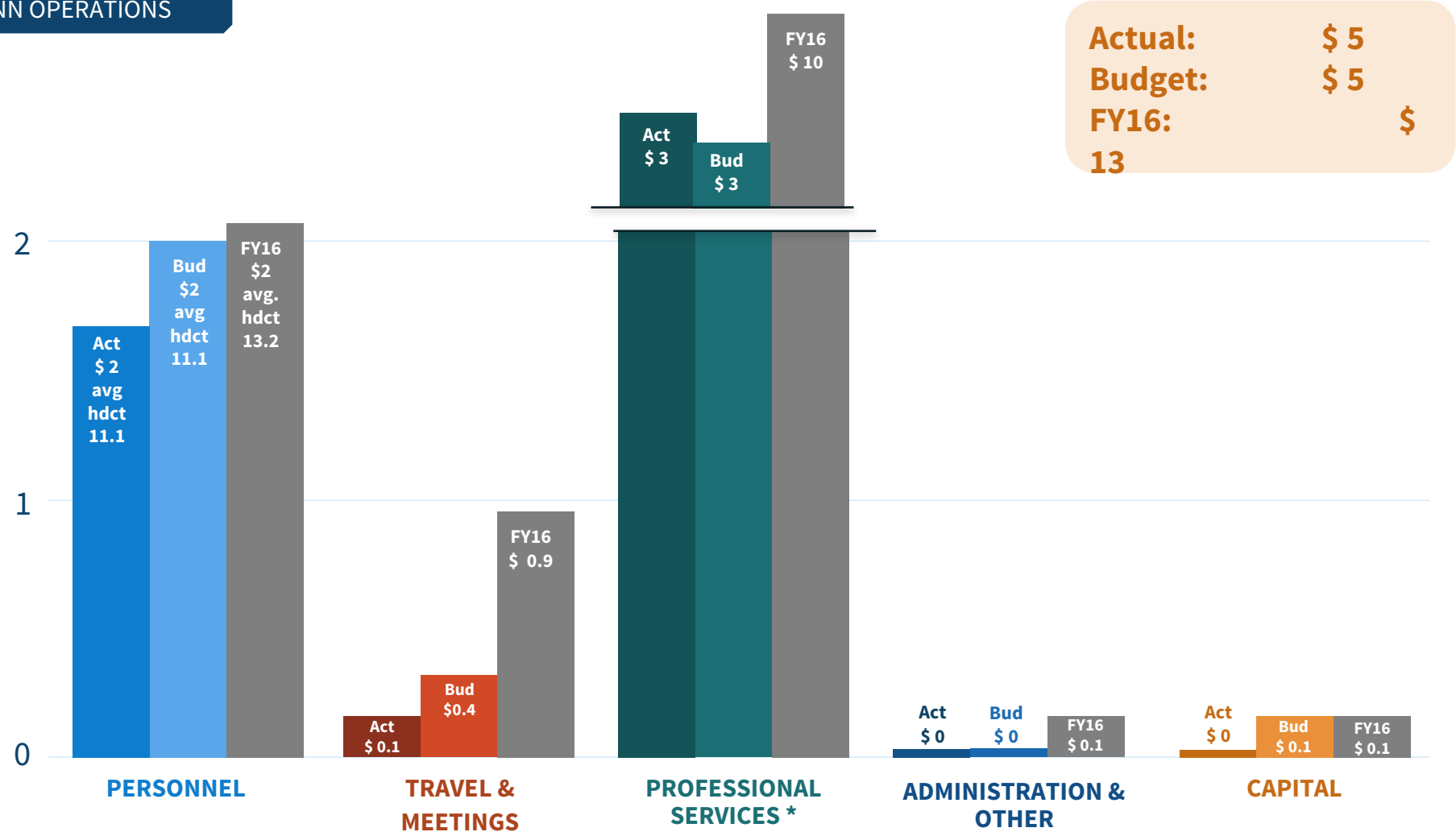
*Includes external legal advice of $1.8M in FY17 and $6.8M in FY16.

New gTLD PROGRAM

Lower refunds of withdrawn applications. Processing costs higher than target driven by defense costs.

Actual:	$ 21
Budget:	$ 23
FY16:	$ 21

REFUNDS OF WITHDRAWN APPLICATIONS
- Act $ 2
- Bud $ 7
- FY16 $ 2

APPLICATION PROCESSING
ACTUAL INCLUDES $4M OF DEFENSE COSTS
- Act $ 17
- Bud $ 14
- FY16 $ 17

REPAYMENT OF HISTORICAL DEV. COSTS
- Act $ 2
- Bud $ 2
- FY16 $ 2

In millions, USD- unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.

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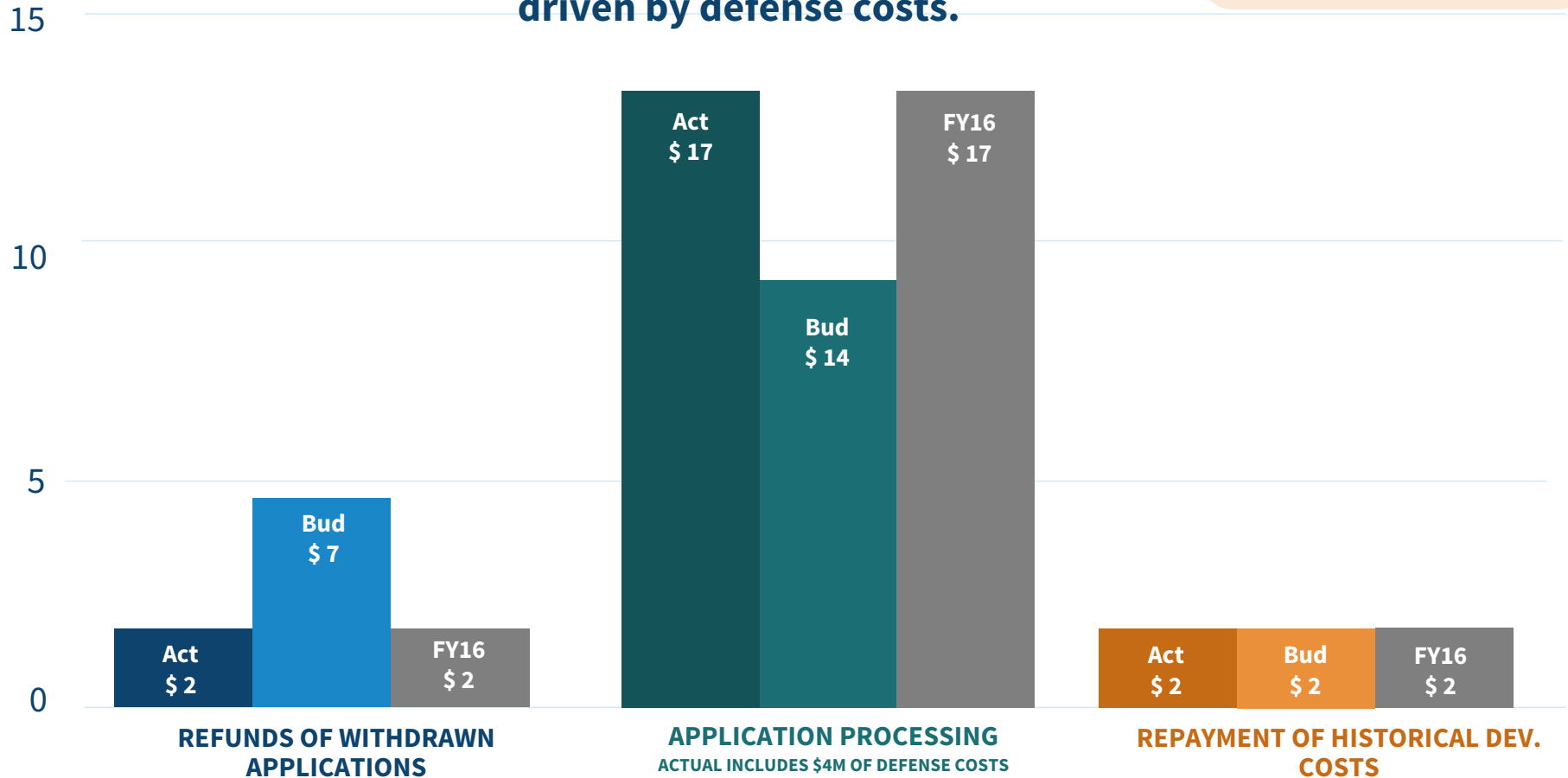
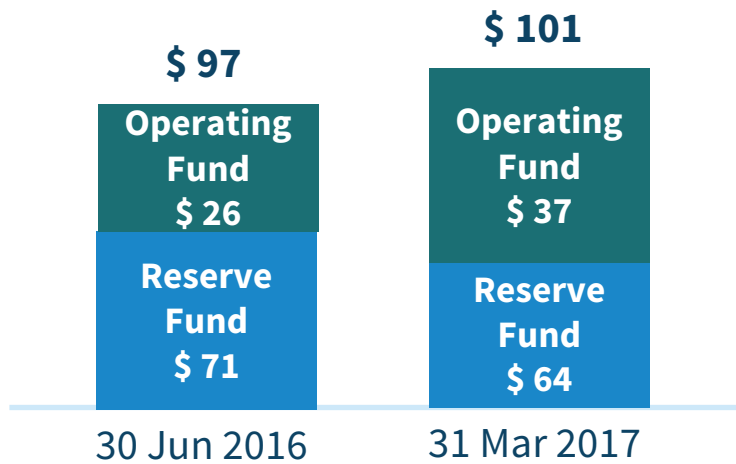# FY17 Year-to-date (Jul 16-Mar 17) Total ICANN Organization Actuals

	ICANN Baseline Operations	IANA Stewardship Transition	Total ICANN Operations	New gTLD Program	Total ICANN Org.
Funding	$ 105	$ 0	$ 105	$ 152	$ 257
Expenses*	-$ 89	-$ 5	-$ 94	$ -19	-$ 113
Net	**$ 16**	**-$ 5**	**$ 11**	**$ 133**	**$ 144**

*Expenses exclude bad debt, depreciation and refunds for withdrawn New gTLD applications which are included in the Funding line.

Funds Under Management as of 30 Jun and 31 Mar 2017

FUNDS UNDER MGMT.

Total Funds: **$ 464**
ICANN Operations: $ 101
New gTLD Program-related: $ 363

ICANN Operations

$ 97
- Operating Fund $ 26
- Reserve Fund $ 71

30 Jun 2016

$ 101
- Operating Fund $ 37
- Reserve Fund $ 64

31 Mar 2017

New gTLD Program

$ 244
- New gTLD Funds $ 142
- Auction Proceeds $ 102

30 Jun 2016

$ 363
- New gTLD Funds $ 128
- Auction Proceeds $ 235

31 Mar 2017
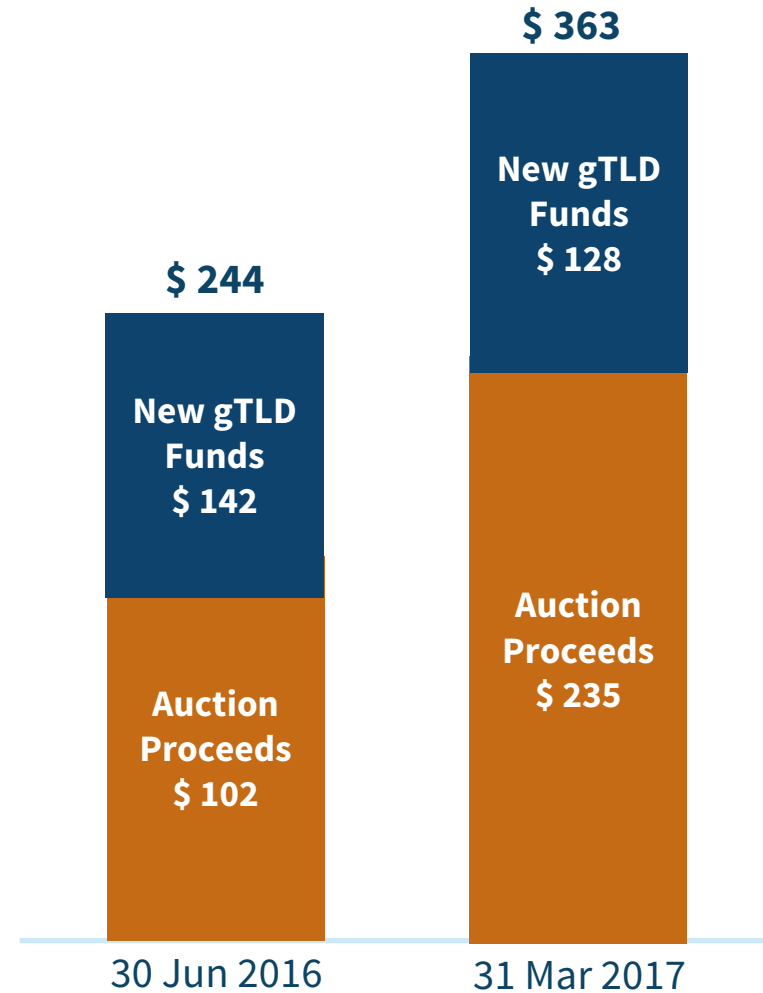
Appendix
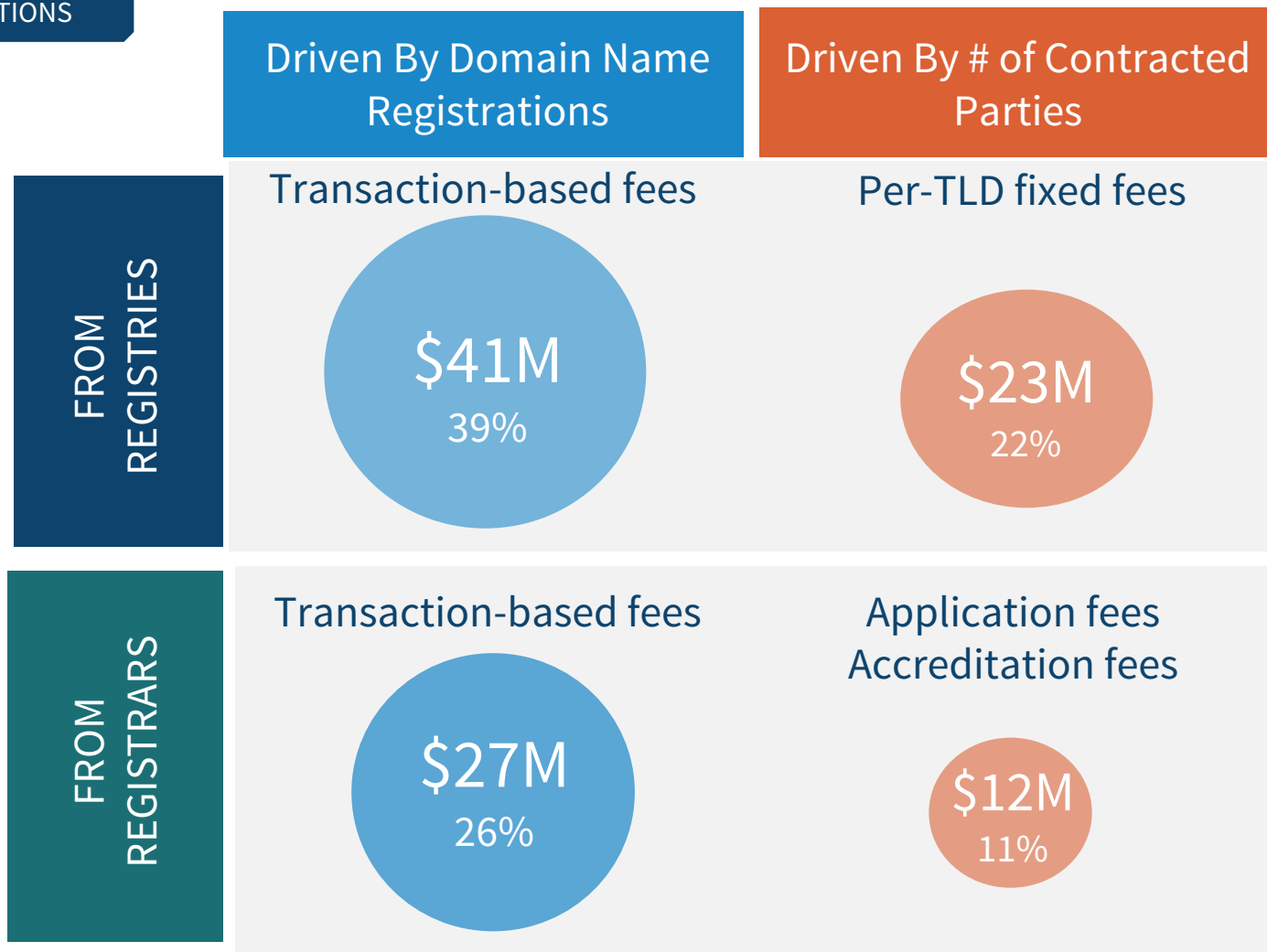
FY17 Year-to-date (Jul 16-Mar 17) Baseline Operating and Capital Expenses

Includes IT infrastructure and security improvements

Year-to-date Actual Baseline Operating & Capital Expenses : $89M

Includes rent and other facilities costs and telecommunications

Capital $6M 7%

Admin. & Other* $13M 15%

Professional Services $15M 17%

Personnel $43M 47%

Reflects an average headcount of 348.2, which excludes 11.1 average headcount allocated to the IANA Stewardship Transition Project

Includes contractor services, legal fees and language services

Travel & Meetings $12M 14%

Includes travel and venue costs for outreach and meetings.

*Excludes bad debt and depreciation

FY17 Budget Overview

FY17 (Jul 16-Jun 17) approved ICANN Operations budget, aligned to Operating Plan, published on ICANN.org

	FY17 Budget
Funding	**$ 132**
ICANN Operations Baseline Expenses	-$ 123
IANA Services Expenses	-$ 9
Net	**$ 0**

*Expenses exclude bad debt and depreciation.

New gTLD Program – Multi-year Forecast

Application fees collected — **$ 362**

$ 267 **$ 95** **$ 4**

$ 22

Costs $ 4

Refunds $ 53

Refunds $ 9

FY19 & BEYOND FORECAST

$ 20

Costs $ 13

Refunds $ 2

FY18 FORECAST

$ 221

Costs $ 18

Refunds $ 42

FY17 FORECAST

Costs $ 214

Costs $ 179

Refunds

Remaining funds for unexpected expenses (including risks)

Application processing costs

⋯⋯⋯ Cumulative costs

FULL PROGRAM FORECAST

FY12-16 ACTUAL