



**ICANN|55**  
**MARRAKECH**  
**5 - 10 MARCH 2016**



# ICANN Operations Update

ICANN 55 | Marrakech | March 2016

# Agenda

1

FY17 Operating  
Plan & Budget  
-  
Update

2

Dashboard

3

Operational  
Excellence

4

Enterprise  
Risk  
Management

5

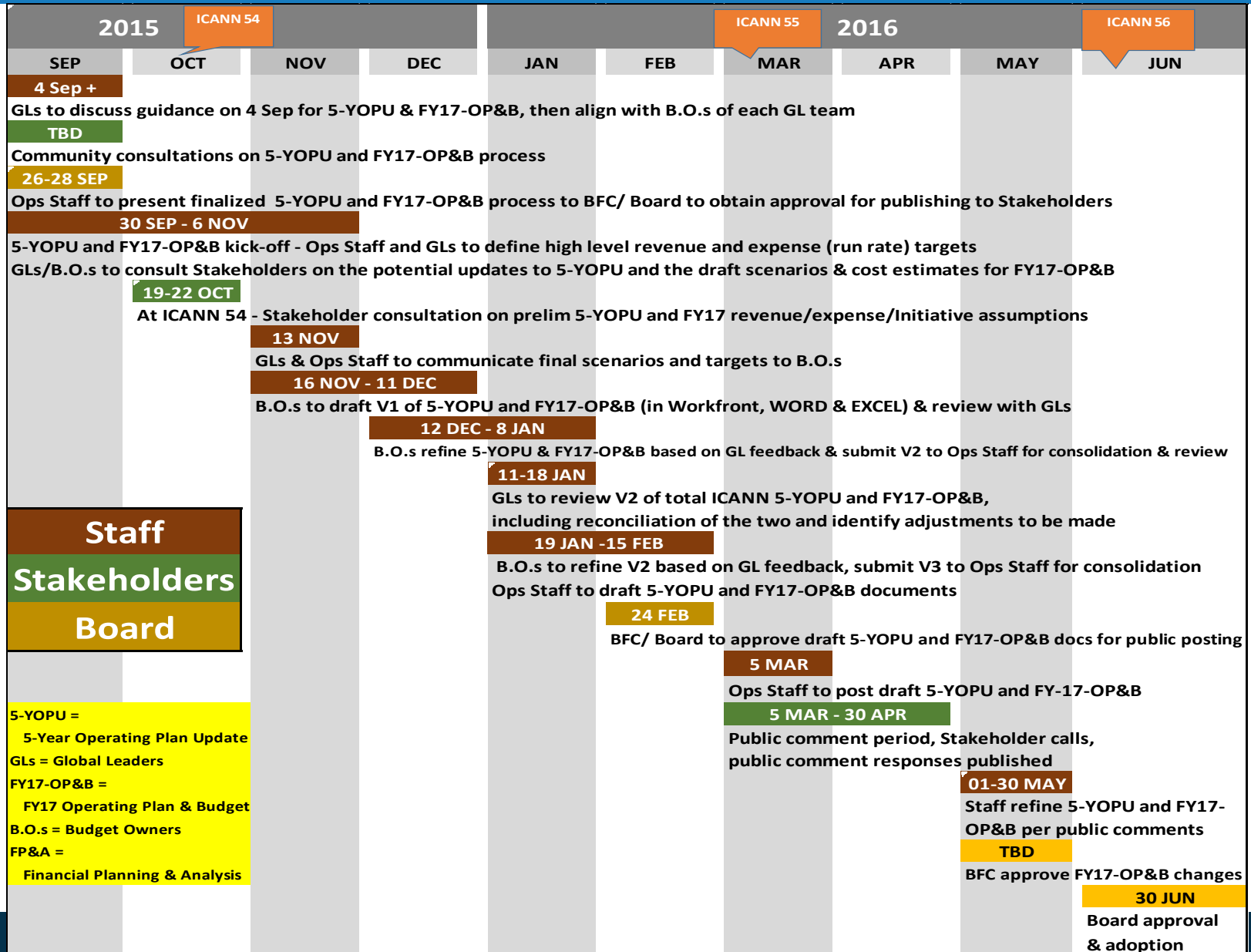
IANA Transition  
project costs

6

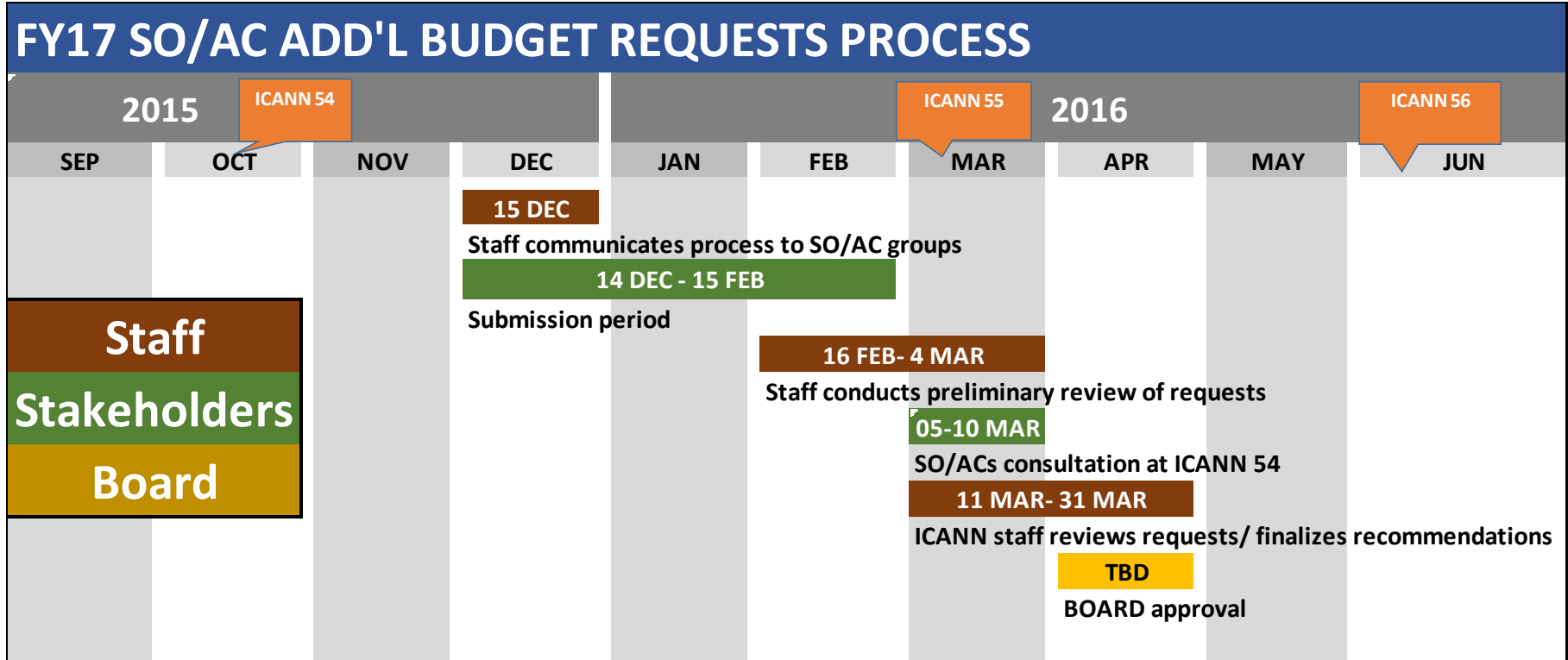
Other topics of  
interest?

# FY17 Operating Plan & Budget Update

# 1.1. 5YOPU & FY17 OP&B Process & Calendar (1 of 2)



# 1.2. 5YOPU & FY17 OP&B Process & Calendar (1 of 2)



# 2. Executive Summary

1

## 5-year Operating Plan update

First update since approval early 2015. No major changes. Addition of USG Transition related work, and Whois research and implementation work.

2

## Significant revenue increase

Despite conservative assumptions, revenue forecast reaches \$132m, nearly 10% above the FY16 forecast (\$121m), (FY15 actual revenue was \$102m).

3

## Baseline expenses

Baseline expenses increase organically by about 6%, in addition to the increase of the baseline resulting from completed multiyear projects of 9%.

4

## Multi-year projects expenses

- The multi-year project expenses total \$6m and include public responsibility pilots, approved IT application development, an IPv6 deployment support, and additional reviews.
- Future policy necessary to fund sustainably multi-year projects and commitments.

5

## FY17 Excess / Deficit

Note: Excludes the Transition projects costs for FY16 and FY17, respectively 16m and 6m-9m.

|                    | FY17 Draft Budget |                     |        | FY16 Forecast |                     |        |
|--------------------|-------------------|---------------------|--------|---------------|---------------------|--------|
|                    | Baseline          | Multi-year Projects | Total  | Baseline      | Multi-year Projects | Total  |
| Revenue:           | 132m              | -                   | 132m   | 121m          | -                   | 121m   |
| Expenses:          | (126m)            | (6m)                | (132m) | (109m)        | (5m)                | (115m) |
| Excess / (Deficit) | 6m                | (6m)                | 0m     | 12m           | (5m)                | 6m     |

# 3. IANA Functions - Costs

| In millions, US D                  | IANA Operations FY17 Budget |              |                     |              |
|------------------------------------|-----------------------------|--------------|---------------------|--------------|
|                                    | Names                       | Numbers      | Protocol Parameters | FY Budget    |
| Direct Costs / Dedicated resources | 2.0                         | 0.6          | 1.1                 | 3.8          |
| Direct Costs / Shared resources    | 1.1                         | 0.3          | 0.6                 | 2.0          |
| Support Services Allocations       | 1.4                         | 0.4          | 0.8                 | 2.7          |
| PTI Specific Costs                 | 0.6                         |              |                     | 0.6          |
| <b>Total</b>                       | <b>\$5.1</b>                | <b>\$1.4</b> | <b>\$2.5</b>        | <b>\$9.0</b> |
|                                    | <b>PTI</b>                  |              |                     |              |

- Direct Costs represent the 13 activities performed by the IANA dedicated resources
- Direct Costs/Shared IANA functions performed by other departments
- Support Services Allocations represent supporting functions allocated to IANA/PTI

|                                      |  |
|--------------------------------------|--|
| 1) Stakeholder Reports               | 8) KMF Facility Management                 |
| 2) Request Handling                  | 9) Customer Surveys                        |
| 3) Stakeholder Engagement            | 10) 3rd Party Systems Audits               |
| 4) Internal Reports                  | 11) Risk, Security, Continuity Plans       |
| 5) Systems/Tools Enhancements        | 12) Consultation to Policy Groups          |
| 6) Dept. Management Responsibilities | 13) Organizational Meetings (Org. & Dept.) |
| 7) Key Signing Ceremonies            |  |



# Operation Excellence Dashboard

August 2015:  
Beta Version

February 2016:  
V1

Sep/Oct 2016:  
V2

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& ACCOUNTABILITY

## ICANN KPI Dashboard

*As of January 2016*

Version 1

### Objectives & Overall Status

|  |    |
|--|----|
| ▶ <b>1 Evolve and further globalize ICANN</b>  | 86 |
| ▶ <b>2 Support a healthy, stable and resilient unique identifier ecosystem</b>                 | 76 |
| ▶ <b>3 Advance organizational, technological and operational excellence</b>                    | 88 |
| ▶ <b>4 Promote ICANN's role and multistakeholder approach</b>                                  | 87 |
| ▶ <b>5 Develop and implement a global public interest framework bounded by ICANN's mission</b> | 73 |

How to read and understand the charts:

0 - 49

Tracking significantly short of target  
Immediate corrective action needed

50 - 84

Tracking short of target  
Corrective actions as needed

85 - 100

Tracking to target  
Stay the course, no corrective action needed

## ⦿ Since August 2015:

- Great constructive feedback from the Community
- Dashboard contents have been advancing and stabilizing
- Progressed to Version 1 with the Feb 29 2016 release

## ⦿ Future versions: Continuous improvements in metrics, contents & systems

# Operation Excellence

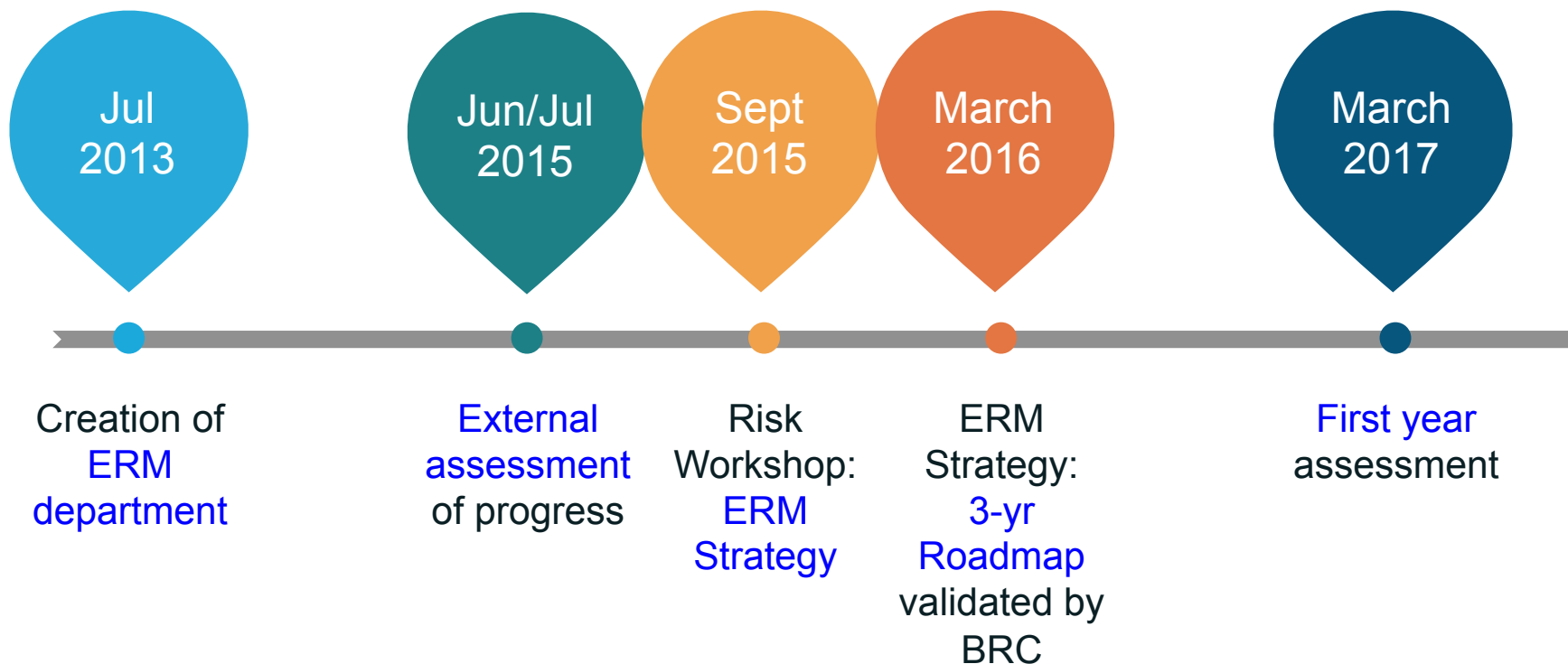
## EFQM

# Operational Excellence: EFQM

- ⦿ ICANN completed the organizational-wide EFQM self-assessment in FY15
- ⦿ We have begun the 2nd year of EFQM self-assessment and will continue annually
- ⦿ Target external assessment conducted by the EFQM Institute in FY18/19.
- ⦿ This path is similar to IANA EFQM program – 4 years of self-assessment before external assessment in 2013

# Enterprise Risk Management

# ERM Roadmap

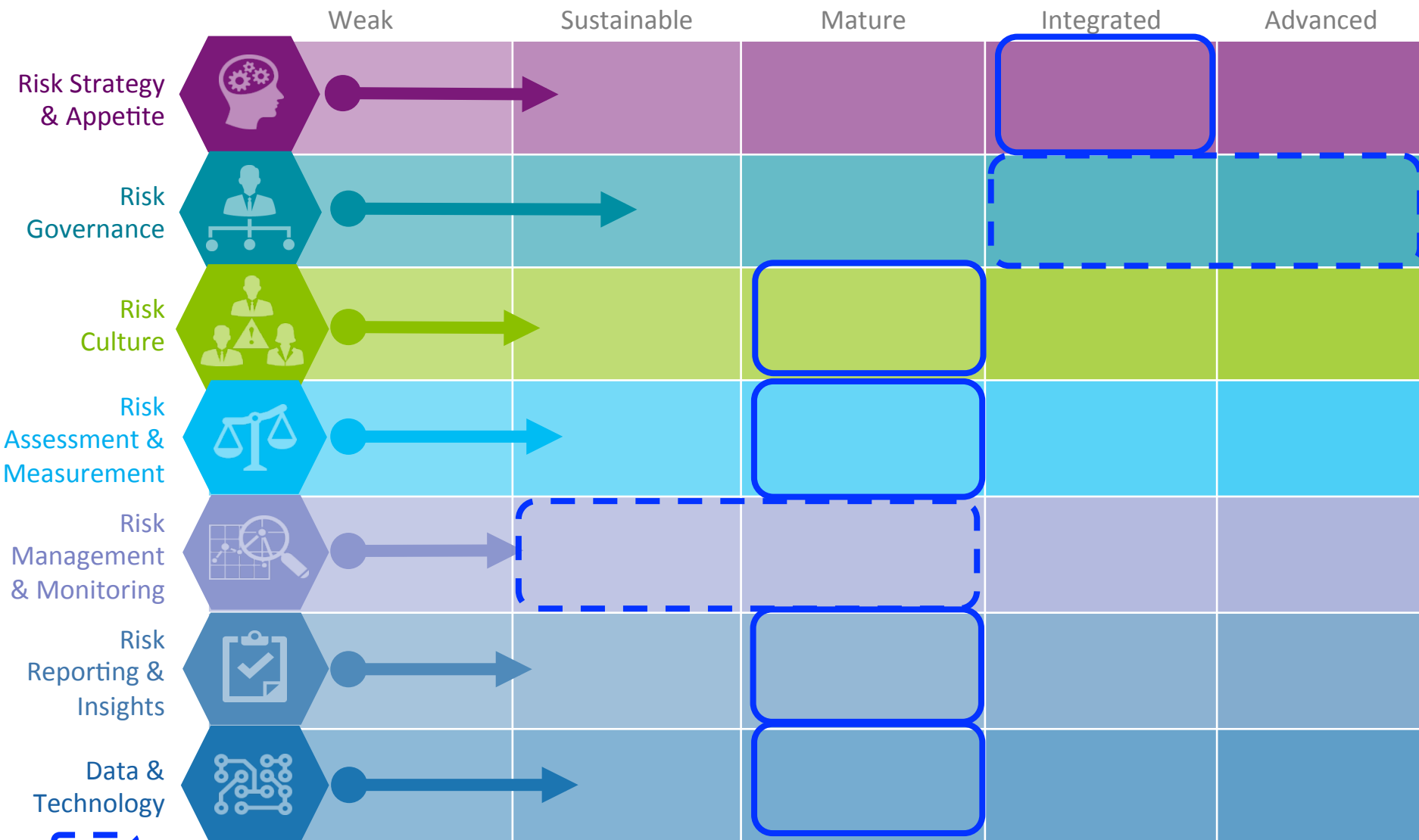
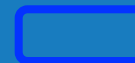


# ICANN ERM roadmap

Current position



Target position



 Target stage to be finalized during feasibility assessment.





# IANA Transition Project costs

# IANA Transition – Project costs

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## Overview

The current IANA Stewardship Transition proposal development process represents the final phase of a plan to privatize the coordination and management of the DNS, initially outlined in a 1998 Department of Commerce [White Paper](#). The U.S. Government recognized that, as the commercial use of the Internet expanded globally, governance of the Internet would also need to expand, evolve and adapt. The U.S. Government also believed that a private sector led organization would be better suited to lead and adapt to the rapid pace of innovation on the Internet.

### Link Box

[Implementation](#)

[Board Inputs into the Process](#)

[Transition Facilitation Calls](#)

[Transition Project Costs](#)

[Transition Participation and Engagement](#)

2

### NTIA's Announcement

On 14 March 2014, the U.S. National Telecommunications and Information Administration (NTIA) announced its intent to transition its stewardship of the IANA functions to the global multistakeholder community.

In its announcement, NTIA asked ICANN to convene an inclusive, global discussion to determine a process for transitioning the stewardship of these functions to the multistakeholder community. It specifically stated that the transition proposal must have broad community support and address the following four principles:

- Support and enhance the multistakeholder model;

# IANA Transition – Project costs

## Costs Summary

These documents include the total costs of the project, detailed by category.

- [IANA Stewardship Transition – Cost Summary FY15 and FY16 Q1-Q2](#) [PDF, 24 KB]
- [Stewardship Track – Cost Summary FY15 and FY16 Q1-Q2](#) [PDF, 24 KB]
- [Accountability Track – Cost Summary FY15 and FY16 Q1-Q2](#) [PDF, 24 KB]

## Professional Services – Expenses Breakdown

The information in this section provides a more detailed understanding of the Professional Services expense category, included in the above summary information, for the period specified in each document below. The table below indicates, for each type, the names of the vendors who supplied the services rendered.

3

- [Professional Services – Expenses breakdown by type and vendor \(FY15 and FY16 Q1-Q2\)](#) [PDF, 242 KB]

The Professional Services include Legal Advice Costs, which are disclosed in further detail below.

## Legal Advice Costs

The costs included in this section are also included in the Costs Summary documents above but are focused on the legal advice incurred by [ICANN](#) with each of the three legal firms employed: Jones Day, Sidley & Austin, Adler & Colvin.

- [Legal costs: FY16 Q1-Q2 Summary by Firm](#) [PDF, 74 KB]
- [Legal costs: FY16 Q1-Q2 Summary by Group](#) [PDF, 74 KB]

Note: When monthly invoices have not yet been received, estimates are requested from the legal firms. If estimates are received from the legal firms, ICANN Finance produces an estimated monthly total cost, m...

# IANA Transition – Project costs

| Category   | Service/Vendor Name  | Total Cost          |
|--|--|---------------------|
| <i>Education/Engagement/Advice</i>                   | <ul style="list-style-type: none"> <li>Albright Stonebridge Group LLC</li> <li>Edelman</li> <li>Interface Media</li> <li>Rice Hadley Gates LLC</li> <li>Summit Strategies International LLC</li> <li>WBC Global</li> <li>Wiley Rein LLP</li> </ul> | \$1,352,057         |
| <i>External Legal Advice</i>                         | <ul style="list-style-type: none"> <li>Adler &amp; Colvin</li> <li>Sidley Austin LLP</li> <li>Jones Day</li> </ul>   | \$8,134,040         |
| <i>Language Services</i>                             | Translations, interpretation, scribing, meeting support.   | \$1,726,419         |
| <i>Root Zone Management evaluation</i>               | Implementation pre-planning.   | \$67,436            |
| <i>Support</i>                                       | Graphics/media (including XPlane) and WG Secretariat Support.  | \$1,008,498         |
| <i>US Government Affairs (Lobbying)</i> <sup>1</sup> | <ul style="list-style-type: none"> <li>Akin Grump Straus Hauer and Feld, LLP</li> <li>Kountoupes Denham</li> <li>Mehlman Castagnetti Rosen Bingel &amp; Thomas, Inc.</li> </ul>  | \$945,842           |
| <i>Other (&lt;\$20k)</i>                             | Includes additional payment for graphics/media work, travel support (including visas) and other miscellaneous services.  | \$288,040           |
|  |  | <b>\$13,522,331</b> |

# OTHER TOPICS OF INTEREST?