ICANN 26 APRIL 2015 BOARD MEETING
Board Papers

TABLE OF CONTENTS – BOARD PAPERS

AGENDA – 26 April 2015 BOARD Meeting – 1.0 hour – last updated 18 April

Time, etc.	Agenda Item	Shepherd
Assembly, Roll Call & Consent Agenda Vote 10 min	**1. Consent Agenda**	
	1.a. Approval of Minutes • 11 February 2015 • 12 February 2015	John Jeffrey
	1.b. Delegation of the .հայ ("hye") domain representing Armenia	Kuo-Wei Wu
	1.c. Redelegation of the .BN domain representing Brunei Darussalam	Kuo-Wei Wu
	1.d. (T) Delegation of IDN ccTLD سودان . ("Sudan") representing Sudan	Kuo-Wei Wu
	1.e. Appointment of Annual Independent Auditors	Erika Mann
	1.f. Next Steps for the EWG Final Report on Next Generation Registration Directory Services	Chris Disspain

AGENDA – 26 April 2015 BOARD Meeting – 1.0 hour – last updated 18 April

Time, etc.	Agenda Item	Shepherd
Discussion & Decision 50 min	**2. Main Agenda**	
	2.a. Consideration of Independent Review Panel's Final Declaration in Booking.com v. ICANN	John Jeffrey
	2.b. Reserve Fund Release – USG IANA Stewardship Transition Costs	Cherine Chalaby
	2.c. IT Services Contracting	Cherine Chalaby
	2.d. SO/AC FY16 Additional Budget Requests	Cherine Chalaby
	2.e. ICANN Five-Year Operating Plan	Fadi Chehadé
	2.f. Structural Improvements Committee Chair	Chris Disspain
	2.g. Funding for Digital Services platforms and code-base review	Ram Mohan Mike Silber

AGENDA – 26 April 2015 BOARD Meeting – 1.0 hour – last updated 18 April

Time, etc.	Agenda Item	Shepherd
	2.h. Investment management – Adjustments to the account structure	Cherine Chalaby
	2.h. AOB	

ICANN BOARD PAPER NO. 2015.04.26.1b

TITLE:	**Delegation of the .հայ ("hye") domain representing Armenia in Armenian script to Internet Society of Armenia**
PROPOSED ACTION:	**For Board Approval**
IANA REFERENCE:	**798240**

Executive Summary:

As part of ICANN's responsibilities under the IANA Functions Contract, ICANN has prepared a recommendation to authorize the delegation of the country-code top-level domain .հայ ("hye"), comprised of the IDN ccTLD Fast Track approved string representing Armenia, to Internet Society. Despite the name similarity, "Internet Society" in this report refers to the organization registered in Armenia under the Armenian law and should not be confused with the global Internet Society organization. "Internet Society of Armenia" will be used in the remainder of this report to refer to the Armenian organization named "Internet Society", a local chapter of the Internet Society in Armenia.

Sensitive Delegation Information

Proposed Resolution:

Resolved (2015.04.26.xx), as part of the exercise of its responsibilities under the IANA Functions Contract, ICANN has reviewed and evaluated the request to delegate the .հայ IDN country-code top-level domain to Internet Society. The documentation demonstrates that the proper procedures were followed in evaluating the request.

Resolved (2015.04.26.xx), the Board directs that pursuant to Article III, Section 5.2 of the ICANN Bylaws, that certain portions of the rationale not appropriate for public distribution within the resolutions, preliminary report or minutes at this time due to contractual obligations shall be withheld until public release is allowed pursuant to those contractual obligations.

Proposed RATIONALE:

Why the Board is addressing the issue now?

In accordance with the IANA Functions Contract, the ICANN staff has evaluated a request for ccTLD delegation, and is presenting its report to the Board for review. This review by the Board is intended to ensure that ICANN staff has followed the proper procedures.

What is the proposal being considered?

The proposal is to approve a request to IANA Department to assign the sponsoring organization (also known as the manager or trustee) of the .հայ country-code top-level domains to Internet Society of Armenia.

Which stakeholders or others were consulted?

In the course of evaluating a delegation application, ICANN staff consults with the applicant and other interested parties. As part of the application process, the applicant needs to describe consultations that were performed within the country concerning the ccTLD, and their applicability to their local Internet community.

What concerns or issues were raised by the community?

Staff are not aware of any significant issues or concerns raised by the community in relation to this request.

What significant materials did the Board review?

The Board reviewed the following IANA staff evaluations:

- The domain is eligible for continued delegation, as հայ is the approved internationalized domain name string for Armenia;
- The relevant government has been consulted and does not object;
- The proposed sponsoring organization and its contacts agree to their responsibilities for managing the domain;
- The proposal has demonstrated appropriate local Internet community consultation and support;
- The proposal does not contravene any known laws or regulations;
- The proposals ensures the domain is managed locally in the country, and is bound under local law;
- The proposed sponsoring organization has confirmed they will manage the domain in a fair and equitable manner;
- The proposed sponsoring organization has demonstrated appropriate operational and technical skills and plans to operate the domain;
- The proposed technical configuration meets IANA's various technical conformance requirements;
- No specific risks or concerns relating to Internet stability have been identified; and
- Staff have provided a recommendation that this request be implemented based on the factors considered.

These evaluations are responsive to the appropriate criteria and policy frameworks, such as "Domain Name System Structure and Delegation" (RFC 1591) and "GAC Principles and Guidelines for the Delegation and Administration of Country Code Top Level Domains".

As part of the process established by the IANA Functions Contract, the "Delegation Report" will be published at http://www.iana.org/reports.

What factors the Board found to be significant?

The Board did not identify any specific factors of concern with these requests.

Are there positive or negative community impacts?

The timely approval of country-code domain name managers that meet the various public interest criteria is positive toward ICANN's overall mission, the local communities to which country-code top-level domains are designated to serve, and responsive to ICANN's obligations under the IANA Functions Contract.

Are there financial impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

The administration of country-code delegations in the DNS root zone is part of the IANA functions, and the delegation action should not cause any significant variance on pre-planned expenditure. It is not the role of ICANN to assess the financial impact of the internal operations of country-code top-level domains within a country.

Are there any security, stability or resiliency issues relating to the DNS?

ICANN does not believe these requests pose any notable risks to security, stability or resiliency.

This is an Organizational Administrative Function not requiring public comment.

SIGNATURE BLOCK:

Submitted by:	Naela Sarras
Position:	IANA Services Manager
Date Noted:	13 April 2015

Email:	naela.sarras@icann.org

EXHIBIT A TO ICANN BOARD SUBMISSION NO. 2015.04.26.1b

Report on the Delegation of the .հայ ("hye") domain representing Armenia in Armenian script to Internet Society of Armenia

13 April 2015

This report is being provided under the contract for performance of the Internet Assigned Numbers Authority (IANA) function between the United States Government and the Internet Corporation for Assigned Names and Numbers (ICANN). Under that contract, ICANN performs the "IANA functions", which include receiving delegation and redelegation requests concerning TLDs, investigating the circumstances pertinent to those requests, making its recommendations, and reporting actions undertaken in connection with processing such requests.

FACTUAL INFORMATION

Country

The "AM" ISO 3166-1 code from which the application's eligibility derives, is designated for use to represent Armenia.

String

The domain under consideration for delegation at the DNS root level is "հայ". This is represented in ASCII-compatible encoding according to the IDNA specification as "xn--y9a3aq". The individual Unicode code points that comprise this string are U+0570 U+0561 U+0575.

The string is expressed using the Armenian script, and has a transliteration equivalent to to "hye" in the Latin script.

Chronology of events

The Armenian Chapter of Internet Society, commonly referred to as "Internet Society of Armenia" or "ISOC AM", was registered under the name "Internet Society" in Armenia in 2001. The proposed sponsoring organization name for this delegation is "Internet Society" as shown on the registration documentation tendered with the request. Despite the name similarity, "Internet Society", this report refers to the organization registered in Armenia under the Armenian law and should not be confused with the global Internet

Society organization. “Internet Society of Armenia” will be used in the remainder of this report to refer to the Armenian organization named “Internet Society”, a local chapter of the Internet Society in Armenia.

In 2007, Internet Society of Armenia formalized its relationship with ICANN as the manager of .AM through an exchange of letters.

In August 2013, the Internet Society of Armenia informed its members that the Council of the Internet Society of Armenia made a decision to apply to ICANN for the IDN ccTLD string for Armenia and invited its members to submit comments and views on the matter.

In September 2013 the Internet Society of Armenia published a report on the decision to initiate the application process for the .հայ IDN ccTLD by Internet Society of Armenia, the current operator of .AM.

Later during the International Conference INET 2013 held on 8-9 October 2013 in Armenia, the proposal to apply for and delegate the IDN ccTLD for Armenia was discussed. Conference participants were in support of the application and delegation process for the .հայ string.

On 1 April 2014, the Internet Society of Armenia applied for the string .հայ through the IDN ccTLD Fast Track process to represent Armenia in Armenian script.

On 20 November 2014, review by the IDN Fast Track DNS Stability Panel found that “the applied-for string ... presents none of the threats to the stability or security of the DNS identified in [the IDN Fast Track implementation plan] ... and presents an acceptably low risk of user confusion”. The request for the string to represent Armenia was subsequently approved.

In December 2014, the Internet Society of Armenia commenced a request to ICANN for the delegation of the .հայ top-level domain.

Proposed Sponsoring Organization and Contacts

The proposed sponsoring organization is Internet Society of Armenia, a non-profit organization established in Armenia.

The proposed administrative contact is Igor Mkrtumyan, President of the Internet Society of Armenia. The administrative contact isunderstood to be based in Armenia.

The proposed technical contact is Hrant Dadivanyan, Manager of Armenia Network Information Centre.

Evaluation of the Request

String Eligibility

The .հայ string has been deemed an appropriate representation of Armenia through the ICANN Fast Track String Selection process.

Public Interest

A support statement for the request to delegate .հայ was provided by Mr. Gagik, Head of Staff at the Ministry of Transport and Communication of Armenia and the Armenia representative in the GAC.

Additional statements in support of the delegation request were also provided by the following:

- Karen Vardanyan, Executive Director of the Union of IT Enterprises of Armenia;
- Gagik Makaryan, Chairman of the Republican Union of Employers of Armenia;
- Yuri Shoukourian, Vice-President of the National Academy of Sciences of Republic of Armenia;
- Kristina Babajanyan, Director of ABC Domain, a leading registrar for the TLD .AM;
- Haykaz Baghyan, Director of the Media Education Center, an organization that promotes e-learning, media literacy and communications for the youth.

The application is consistent with known applicable local laws in Armenia.

The proposed sponsoring organization undertakes responsibility to operate the domain in a fair and equitable manner.

Based in country

The proposed sponsoring organization is registered in Armenia. The proposed administrative contact is understood to be resident of Armenia. The registry is to be operated in the country.

Stability

The delegation request is deemed uncontested.

Based on the information submitted, ICANN staff has not identified any stability issues.

Competency

As the current operator of .AM ccTLD, the application has provided satisfactory details on the technical and operational infrastructure and expertise that will be used to operate

the .հայ domain. Proposed policies for management of the domain have also been tendered.

Evaluation Procedure

ICANN is tasked with coordinating the Domain Name System root zone as part of a set of functions governed by a contract with the U.S. Government. This includes accepting and evaluating requests for delegation and redelegation of top-level domains.

A subset of top-level domains are designated for the local Internet communities in countries to operate in a way that best suits their local needs. These are known as country-code top-level domains (ccTLDs), and are assigned by ICANN to responsible trustees (known as "Sponsoring Organizations") that meet a number of public-interest criteria for eligibility. These criteria largely relate to the level of support the trustee has from its local Internet community, its capacity to ensure stable operation of the domain, and its applicability under any relevant local laws.

Through ICANN's IANA department, requests are received for delegating new ccTLDs, and redelegating or revoking existing ccTLDs. An investigation is performed on the circumstances pertinent to those requests, and, when appropriate, the requests are implemented and a recommendation for delegation or redelegation is made to the U.S. National Telecommunications and Information Administration (NTIA).

Purpose of evaluations

The evaluation of eligibility for ccTLDs, and of evaluating responsible trustees charged with operating them, is guided by a number of principles. The objective of the assessment is that the action enhances the secure and stable operation of the Internet's unique identifier systems.

In considering requests to delegate or redelegate ccTLDs, input is sought regarding the proposed new Sponsoring Organization, as well as from persons and organizations that may be significantly affected by the change, particularly those within the nation or territory to which the ccTLD is designated.

The assessment is focused on the capacity for the proposed sponsoring organization to meet the following criteria:

- The domain should be operated within the country, including having its sponsoring organization and administrative contact based in the country.
- The domain should be operated in a way that is fair and equitable to all groups in the local Internet community.
- Significantly interested parties in the domain should agree that the prospective trustee is the appropriate party to be responsible for the domain, with the desires

of the national government taken very seriously.

- The domain must be operated competently, both technically and operationally. Management of the domain should adhere to relevant technical standards and community best practices.

- Risks to the stability of the Internet addressing system must be adequately considered and addressed, particularly with regard to how existing identifiers will continue to function.

Method of evaluation

To assess these criteria, information is requested from the applicant regarding the proposed sponsoring organization and method of operation. In summary, a request template is sought specifying the exact details of the delegation being sought in the root zone. In addition, various documentation is sought describing: the views of the local internet community on the application; the competencies and skills of the trustee to operate the domain; the legal authenticity, status and character of the proposed trustee; and the nature of government support fort he proposal. The view of any current trustee is obtained, and in the event of a redelegation, the transfer plan from the previous sponsoring organization to the new sponsoring organization is also assessed with a view to ensuring ongoing stable operation of the domain.

After receiving this documentation and input, it is analyzed in relation to existing root zone management procedures, seeking input from parties both related to as well as independent of the proposed sponsoring organization should the information provided in the original application be deficient. The applicant is given the opportunity to cure any deficiencies before a final assessment is made.

Once all the documentation has been received, various technical checks are performed on the proposed sponsoring organization’s DNS infrastructure to ensure name servers are properly configured and are able to respond to queries correctly. Should any anomalies be detected, ICANN staff will work with the applicant to address the issues.

Assuming all issues are resolved, an assessment is compiled providing all relevant details regarding the proposed sponsoring organization and its suitability to operate the relevant top-level domain.

ICANN BOARD PAPER NO. 2015.04.26.1c

TITLE:	**Redelegation of the .BN domain representing Brunei Darussalam to Brunei Darussalam Network Information Centre Sdn Bhd (BNNIC)**
PROPOSED ACTION:	**For Board Approval**
IANA REFERENCE:	**806783**

EXECUTIVE SUMMARY:

As part of ICANN's responsibilities under the IANA Functions Contract, ICANN has prepared a recommendation to authorize the redelegation of the country-code top-level domain .BN, comprised of the ISO 3166-1 code representing Brunei Darussalam, to Brunei Darussalam Network Information Centre Sdn Bhd (BNNIC).

Sensitive Delegation Information

PROPOSED RESOLUTION:

Resolved (2015.04.26.xx), as part of the exercise of its responsibilities under the IANA Functions Contract, ICANN has reviewed and evaluated the request to redelegate the .BN country-code top-

level domain to Brunei Darussalam Network Information Centre Sdn Bhd (BNNIC). The documentation demonstrates that the proper procedures were followed in evaluating the request.

Resolved (2015.04.26.xx), the Board directs that pursuant to Article III, Section 5.2 of the ICANN Bylaws, that certain portions of the rationale not appropriate for public distribution within the resolutions, preliminary report or minutes at this time due to contractual obligations shall be withheld until public release is allowed pursuant to those contractual obligations.

PROPOSED RATIONALE:

Why the Board is addressing the issue now?

In accordance with the IANA Functions Contract, the ICANN staff has evaluated a request for ccTLD redelegation and is presenting its report to the Board for review. This review by the Board is intended to ensure that ICANN staff has followed the proper procedures.

What is the proposal being considered?

The proposal is to approve a request to IANA to change the sponsoring organization (also known as the manager or trustee) of the .BN country-code top-level domain to Brunei Darussalam Network Information Centre Sdn Bhd (BNNIC).

Which stakeholders or others were consulted?

In the course of evaluating a delegation application, ICANN staff consults with the applicant and other interested parties. As part of the application process, the applicant needs to describe consultations that were performed within the country concerning the ccTLD, and their applicability to their local Internet community.

What concerns or issues were raised by the community?

Staff are not aware of any significant issues or concerns raised by the community in relation to this request.

What significant materials did the Board review?

The Board reviewed the following IANA staff evaluations:

- The domain is eligible for continued delegation, as it is an assigned alpha-2 code that is listed in the ISO 3166-1 standard for the country of Brunei Darussalam;
- The request is consented by the existing sponsoring organization, Telekom Brunei Berhad;
- The relevant government has been consulted and does not object;
- The proposed sponsoring organization and its contacts agree to their responsibilities for managing this domain;
- The proposal has demonstrated appropriate local Internet community consultation and support;
- The proposal does not contravene any known laws or regulations;
- The proposal ensures the domain is managed locally in the country, and is bound under local law;
- The proposed sponsoring organization has confirmed they will manage the domain in a fair and equitable manner;
- The proposed sponsoring organization has demonstrated appropriate operational and technical skills and plans to operate the domain;
- The proposed technical configuration meets IANA’s various technical conformance requirements;
- No specific risks or concerns relating to Internet stability have been identified; and
- Staff have provided a recommendation that this request be implemented based on the factors considered.

These evaluations are responsive to the appropriate criteria and policy frameworks, such as "Domain Name System Structure and Delegation" (RFC 1591) and "GAC Principles and Guidelines for the Delegation and Administration of Country Code Top Level Domains".

As part of the process established by the IANA Functions Contract, the "Delegation and Redelegation Report" will be published at http://www.iana.org/reports.

What factors the Board found to be significant?

The Board did not identify any specific factors of concern with this request.

Are there positive or negative community impacts?

The timely approval of country-code domain name managers that meet the various public interest criteria is positive toward ICANN's overall mission, the local communities to which country-code top-level domains are designated to serve, and responsive to ICANN's obligations under the IANA Functions Contract.

Are there financial impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

The administration of country-code delegations in the DNS root zone is part of the IANA functions, and the redelegation action should not cause any significant variance on pre-planned expenditure. It is not the role of ICANN to assess the financial impact of the internal operations of country-code top-level domains within a country.

Are there any security, stability or resiliency issues relating to the DNS?

ICANN does not believe this request poses any notable risks to security, stability or resiliency.

This is an Organizational Administrative Function not requiring public comment.

SIGNATURE BLOCK:

Submitted by:	Naela Sarras
Position:	IANA Services Manager
Date Noted:	13 April 2015
Email:	naela.sarras@icann.org

EXHIBIT A TO ICANN BOARD SUBMISSION NO. 2015.04.26.1c

Report on the Redelegation of the .BN domain representing Brunei Darussalam to Brunei Darussalam Network Information Centre Sdn Bhd (BNNIC)

13 April 2015

This report is being provided under the contract for performance of the Internet Assigned Numbers Authority (IANA) function between the United States Government and the Internet Corporation for Assigned Names and Numbers (ICANN). Under that contract, ICANN performs the "IANA functions", which include receiving delegation and redelegation requests concerning TLDs, investigating the circumstances pertinent to those requests, making its recommendations, and reporting actions undertaken in connection with processing such requests.

FACTUAL INFORMATION

Country

The "BN" ISO 3166-1 code is designated for use to represent Brunei Darussalam.

Chronology of events

The .BN top-level domain was first delegated in 1994 to Jabatan Telekom Brunei, the telecommunications operator at the time serving under the Ministry of Communications at the time.

In 2006, a restructure of JBT formed the Telekom Brunei Berhad (TelBru) and the Authority for info-communications Technology Industry (AITI) of Brunei Darussalam.. In this restructure, TelBru was named a successor company to JBT. The purpose was to segregate the service provider and the regulatory function.

The .BN TLD managers then requested an update to the IANA Root Zone Database to update the sponsoring organization name to Telekom Brunei Berhad (TelBru). TelBru is the currently designated manager for the .BN top-level domain as described in the IANA Root Zone Database.

Under the Constitution of Brunei Darussalam (Order under section 83(3)), the Authority for Info-communications Technology Industry of Brunei Darussalam (AITI) has the power to "promote the use of the Internet and electronic commerce and to establish regulatory frameworks for that purpose". Under the Second Schedule of the AITI Order 2001, AITI has the power "to authorize or regulate the registration, administration and management of domain names in Brunei Darussalam".

TelBru, together with AITI, have been serving as the service provider and regulatory authority for .BN since 2006.

In 2012, AITI developed the overall policies, frameworks and guidelines to enhance the management of .BN domain names in Brunei Darussalam. These policies were then put through a public consultation in September 2012 and were well received by the local community.

Subsequently in 2013, AITI created a new private entity "Burnei Darussalam Network Information Centre Sdn Bhd (BNNIC)" to act as the proposed new registry for .BN. BNNIC and AITI then called for an open tender to design and build a robust technical and transfer plan to manage .BN.

Following the completion of technical and transfer plans, BNNIC commenced a request to ICANN for the redelegation of the .BN top-level domain on 24 May 2014.

Proposed Sponsoring Organization and Contacts

The proposed sponsoring organization is Brunei Darussalam Network Information Centre Sdn Bhd (BNNIC), a private entity and a wholly owned subsidiary of the AITI. The AITI authorizes BNNIC Sdn Bhd to undertake the registration, administration and management of domain names in Brunei Darussalam.

The proposed administrative contact is Mohammad Norelham bin Haji Zaini, Domain Administrator at BNNIC. The administrative contact is understood to be based in Brunei Darussalam.

The proposed technical contact is Aliffian bin Haji Awang Damit, Technical Support at BNNIC.

EVALUATION OF THE REQUEST

String Eligibility

The top-level domain is eligible for continued delegation under ICANN policy, as it is the assigned ISO 3166-1 two-letter code representing Brunei Darussalam.

Public Interest

Support for the application to redelegate the domain was provided by Haji Yahkup Bin Haji Menudin, Chief Executive Officer of AITI.

Additional statements in support of this redelegation were provided by the following:

- Sairul Rhymin C.A. Mohamed, Chief Operations Officer of TelBru, the current sponsoring organization for .BN, and

- Haslina Haji Mohd Taib, Deputy Chair of InfoCom Federation Brunei, a non-profit national body made up of locally accredited ICT businesses that conduct business within and outside Brunei Darussalam.

The application is consistent with known applicable local laws in Brunei Darussalam.

The proposed sponsoring organization undertakes responsibility to operate the domain in a fair and equitable manner.

Based in country

The proposed sponsoring organization is constituted in Brunei Darussalam. The proposed administrative contact is understood to be resident in Brunei Darussalam. The registry is to be operated in the country.

Stability

The request is deemed uncontested, with the currently listed sponsoring organization consenting to the transfer.

A transfer plan was provided by BNNIC for the redelegation of .BN to mitigate risks relating to Internet stability.

Competency

The application has provided satisfactory details on the technical and operational infrastructure and expertise that will be used to operate the .BN domain. Proposed policies for management of the domain have also been tendered.

EVALUATION PROCEDURE

ICANN is tasked with coordinating the Domain Name System root zone as part of a set of functions governed by a contract with the U.S. Government. This includes accepting and evaluating requests for delegation and redelegation of top-level domains.

A subset of top-level domains are designated for the local Internet communities in countries to operate in a way that best suits their local needs. These are known as country-code top-level domains (ccTLDs), and are assigned by ICANN to responsible trustees (known as "Sponsoring Organizations") that meet a number of public-interest criteria for eligibility. These criteria largely relate to the level of support the trustee has from its local Internet community, its capacity to ensure stable operation of the domain, and its applicability under any relevant local laws.

Through ICANN's IANA department, requests are received for delegating new ccTLDs, and redelegating or revoking existing ccTLDs. An investigation is performed on the circumstances pertinent to those requests, and, when appropriate, the requests are implemented and a recommendation for delegation or redelegation is made to the U.S. National Telecommunications and Information Administration (NTIA).

Purpose of evaluations

The evaluation of eligibility for ccTLDs, and of evaluating responsible trustees charged with operating them, is guided by a number of principles. The objective of the assessment is that the action enhances the secure and stable operation of the Internet's unique identifier systems.

In considering requests to delegate or redelegate ccTLDs, input is sought regarding the proposed new Sponsoring Organization, as well as from persons and organizations that may be significantly affected by the change, particularly those within the nation or territory to which the ccTLD is designated.

The assessment is focussed on the capacity for the proposed sponsoring organization to meet the following criteria:

- The domain should be operated within the country, including having its sponsoring organization and administrative contact based in the country.
- The domain should be operated in a way that is fair and equitable to all groups in the local Internet community.
- Significantly interested parties in the domain should agree that the prospective trustee is the appropriate party to be responsible for the domain, with the desires of the national government taken very seriously.
- The domain must be operated competently, both technically and operationally. Management of the domain should adhere to relevant technical standards and community best practices.
- Risks to the stability of the Internet addressing system must be adequately considered and addressed, particularly with regard to how existing identifiers will continue to function.

Method of evaluation

To assess these criteria, information is requested from the applicant regarding the proposed sponsoring organization and method of operation. In summary, a request template is sought specifying the exact details of the delegation being sought in the root zone. In addition, various documentation is sought describing: the views of the local internet community on the application; the competencies and skills of the trustee to operate the domain; the legal authenticity, status and character of the proposed trustee; and the nature of government support fort he proposal. The view of any current trustee is obtained, and in the event of a redelegation, the transfer plan from the previous sponsoring organization to the new sponsoring organization is also assessed with a view to ensuring ongoing stable operation of the domain.

After receiving this documentation and input, it is analyzed in relation to existing root zone management procedures, seeking input from parties both related to as well as independent of the proposed sponsoring organization should the information provided in the original application be deficient. The applicant is given the opportunity to cure any deficiencies before a final assessment is made.

Once all the documentation has been received, various technical checks are performed on the proposed sponsoring organization’s DNS infrastructure to ensure name servers are properly configured and are able to respond to queries correctly. Should any anomalies be detected, ICANN staff will work with the applicant to address the issues.

Assuming all issues are resolved, an assessment is compiled providing all relevant details regarding the proposed sponsoring organization and its suitability to operate the relevant top-level domain.

ICANN BOARD PAPER NO. 2015.04.26.1d

TITLE:	**Delegation of the سودان ("sudan") country code top-level domain representing Sudan in Arabic script to Sudan Internet Society**
PROPOSED ACTION:	**For Board Approval**
IANA REFERENCE:	**805169**

EXECUTIVE SUMMARY:

As part of ICANN's responsibilities under the IANA Functions Contract, ICANN has prepared a recommendation to authorize the delegation of the country-code top-level domain سودان ("sudan"), comprised of the IDN ccTLD Fast Track approved string representing Sudan, to Sudan Internet Society.

Sensitive Delegation Information

PROPOSED RESOLUTION:

Resolved (2015.04.26.xx), as part of the exercise of its responsibilities under the IANA Functions Contract, ICANN has reviewed and evaluated the request to delegate the سودان country-code top-level domain to Sudan Internet Society. The documentation demonstrates that the proper procedures were followed in evaluating the request.

Resolved (2015.04.26.xx), the Board directs that pursuant to Article III, Section 5.2 of the ICANN Bylaws, that certain portions of the rationale not appropriate for public distribution within the resolutions, preliminary report or minutes at this time due to contractual obligations, shall be withheld until public release is allowed pursuant to those contractual obligations.

PROPOSED RATIONALE:

Why the Board is addressing the issue now?

In accordance with the IANA Functions Contract, the ICANN staff has evaluated a request for ccTLD delegation and is presenting its report to the Board for review. This review by the Board is intended to ensure that ICANN staff has followed the proper procedures.

What is the proposal being considered?

The proposal is to approve a request to IANA to create the country-code top-level domain and assign the role of sponsoring organization (also known as the manager or trustee) to Sudan Internet Society.

Which stakeholders or others were consulted?

In the course of evaluating a delegation application, ICANN staff consults with the applicant and other interested parties. As part of the application process, the applicant needs to describe consultations that were performed within the country concerning the ccTLD, and their applicability to their local Internet community.

What concerns or issues were raised by the community?

Staff are not aware of any significant issues or concerns raised by the community in relation to this request.

What significant materials did the Board review?

The Board reviewed the following IANA staff evaluations:

- The domain is eligible for delegation, as it is a string that has been approved by the IDN ccTLD Fast Track process, and represents a country that is listed in the ISO 3166-1 standard;

- The relevant government has been consulted and does not object;

- The proposed sponsoring organization and its contacts agree to their responsibilities for managing this domain;
- The proposal has demonstrated appropriate local Internet community consultation and support;
- The proposal does not contravene any known laws or regulations;
- The proposal ensures the domain is managed locally in the country, and is bound under local law;
- The proposed sponsoring organization has confirmed they will manage the domain in a fair and equitable manner;
- The proposed sponsoring organization has demonstrated appropriate operational and technical skills and plans to operate the domain;
- The proposed technical configuration meets IANA's various technical conformance requirements;
- No specific risks or concerns relating to Internet stability have been identified; and
- Staff have provided a recommendation that this request be implemented based on the factors considered.

These evaluations are responsive to the appropriate criteria and policy frameworks, such as "Domain Name System Structure and Delegation" (RFC 1591) and "GAC Principles and Guidelines for the Delegation and Administration of Country Code Top Level Domains".

As part of the process established by the IANA Functions Contract, the "Delegation and Redelegation Report" will be published at http://www.iana.org/reports.

What factors the Board found to be significant?

The Board did not identify any specific factors of concern with this request.

Are there positive or negative community impacts?

The timely approval of country-code domain name managers that meet the various public interest criteria is positive toward ICANN's overall mission, the local communities to which country-code top-level domains are designated to serve, and responsive to ICANN's obligations under the IANA Functions Contract.

Are there financial impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

The administration of country-code delegations in the DNS root zone is part of the IANA functions, and the delegation action should not cause any significant variance on pre-planned expenditure. It is not the role of ICANN to assess the financial impact of the internal operations of country-code top-level domains within a country.

Are there any security, stability or resiliency issues relating to the DNS?

ICANN does not believe this request poses any notable risks to security, stability or resiliency.

This is an Organizational Administrative Function not requiring public comment.

SIGNATURE BLOCK:

Submitted by:	Naela Sarras
Position:	IANA Services Manager
Date Noted:	14 April 2015
Email:	naela.sarras@icann.org

EXHIBIT A TO ICANN BOARD SUBMISSION NO. 2015.04.26.1d

Report on the Delegation of the سودان ("sudan") country code top-level domain representing Sudan in Arabic script to Sudan Internet Society

14 April 2015

This report is being provided under the contract for performance of the Internet Assigned Numbers Authority (IANA) function between the United States Government and the Internet Corporation for Assigned Names and Numbers (ICANN). Under that contract, ICANN performs the "IANA functions", which include receiving delegation and redelegation requests concerning TLDs, investigating the circumstances pertinent to those requests, making its recommendations, and reporting actions undertaken in connection with processing such requests.

FACTUAL INFORMATION

Country

The "SD" ISO 3166-1 code from which the application's eligibility derives, is designated for use to represent Sudan.

String

The domain under consideration for delegation at the DNS root level is "سودان". This is represented in ASCII-compatible encoding according to the IDNA specification as "xn--mgbpl2fh". The individual Unicode code points that comprise this string are U+0633 U+0648 U+062F U+0627 U+0646.

In Arabic, the string has a transliteration equivalent to "sudan" in English. The string is expressed using the Arabic script.

Chronology of events

In 2002, "Sudan Internet Society" was founded as a non-governmental organization. That same year, the .SD (Sudan) top-level domain was redelegated from Sudan OnLine, Inc. to the Sudan Internet Society.

On 19 September 2011 an application was made to the IDN ccTLD Fast Track String Selection Process to have the string "سودان" recognized as representing Sudan.

On 1 November 2012, a review by the IDN Fast Track DNS Stability Panel found that "the applied-for string ... presents none of the threats to the stability or security of the DNS identified in Module 4 of the Fast Track implementation plan, and presents an

acceptably low risk of user confusion". The request for the string to represent Sudan was subsequently approved.

On 22 January 2015, Sudan Internet Society commenced a request to ICANN for delegation of "سودان" as a top-level domain.

Proposed Sponsoring Organization and Contacts

The proposed sponsoring organization is Sudan Internet Society, an entity established in 2002 to manage the .SD top-level domain. It is also the ISOC chapter of Sudan "with over 700 members from all around Sudan...and from the whole Internet community" including ISPs, NGOs, universities, and end users.

The proposed administrative contact is Dr. Nadir Gaylani, President, Sudan Internet Society. The administrative contact is understood to be based in Sudan.

The proposed technical contact is Tarik Merghani, Chief Technology Officer, Sudan Internet Society.

EVALUATION OF THE REQUEST

String Eligibility

The top-level domain is eligible for delegation under ICANN policy, as the string has been deemed an appropriate representation of Sudan through the ICANN ccTLD Fast Track String Selection process, and Sudan is presently listed in the ISO 3166-1 standard.

Public Interest

Explicit government support for the application was provided in a letter signed by Eng. Esadg Fadlalla SbahElkhir Mohamed, Acting Minister of Communication and Information Technology, Republic of Sudan.

Additional support was provided by the following:

- The National Telecom Corporation (NTC), the Telecommunications Regulatory Authority of Sudan;
- The Sudanese Research and Education Network (SudREN), an NGO that supports the Sudanese educational and research sector;
- Sudan University of Science and Technology;
- Al Neelain University;
- The University of Khartoum.

The application is consistent with known applicable local laws in Sudan. The proposed sponsoring organization undertakes to operate the domain in a fair and equitable manner.

Based in country

The proposed sponsoring organization is constituted in Sudan. The proposed administrative contact is understood to be resident in Sudan. The registry is to be operated in the country.

Stability

The application does not involve a transfer of domain operations from an existing domain registry, and therefore stability aspects relating to registry transfer have not been evaluated.

The application is not known to be contested.

Competency

The application has provided information on the technical and operational infrastructure and expertise that will be used to operate the proposed new domain. The proposed operator is the current manager of .SD country-code top-level domain for Sudan.

Proposed policies for management of the domain have also been tendered.

EVALUATION PROCEDURE

ICANN is tasked with coordinating the Domain Name System root zone as part of a set of functions governed by a contract with the U.S. Government. This includes accepting and evaluating requests for delegation and redelegation of top-level domains.

A subset of top-level domains are designated for the local Internet communities in countries to operate in a way that best suits their local needs. These are known as country-code top-level domains (ccTLDs), and are assigned by ICANN to responsible trustees (known as “Sponsoring Organisations”) that meet a number of public-interest criteria for eligibility. These criteria largely relate to the level of support the trustee has from its local Internet community, its capacity to ensure stable operation of the domain, and its applicability under any relevant local laws.

Through ICANN’s IANA department, requests are received for delegating new ccTLDs, and redelegating or revoking existing ccTLDs. An investigation is performed on the circumstances pertinent to those requests, and, when appropriate, the requests are implemented and a recommendation for delegation or redelegation is made to the U.S. National Telecommunications and Information Administration (NTIA).

Purpose of evaluations

The evaluation of eligibility for ccTLDs, and of evaluating responsible trustees charged

with operating them, is guided by a number of principles. The objective of the assessment is that the action enhances the secure and stable operation of the Internet's unique identifier systems.

In considering requests to delegate or redelegate ccTLDs, input is sought regarding the proposed new Sponsoring Organization, as well as from persons and organizations that may be significantly affected by the change, particularly those within the nation or territory to which the ccTLD is designated.

The assessment is focused on the capacity for the proposed sponsoring organization to meet the following criteria:

- The domain should be operated within the country, including having its sponsoring organization and administrative contact based in the country.
- The domain should be operated in a way that is fair and equitable to all groups in the local Internet community.
- Significantly interested parties in the domain should agree that the prospective trustee is the appropriate party to be responsible for the domain, with the desires of the national government taken very seriously.
- The domain must be operated competently, both technically and operationally. Management of the domain should adhere to relevant technical standards and community best practices.
- Risks to the stability of the Internet addressing system must be adequately considered and addressed, particularly with regard to how existing identifiers will continue to function.

Method of evaluation

To assess these criteria, information is requested from the applicant regarding the proposed sponsoring organization and method of operation. In summary, a request template is sought specifying the exact details of the delegation being sought in the root zone. In addition, various documentation is sought describing: the views of the local internet community on the application; the competencies and skills of the trustee to operate the domain; the legal authenticity, status and character of the proposed trustee; and the nature of government support fort he proposal. The view of any current trustee is obtained, and in the event of a redelegation, the transfer plan from the previous sponsoring organization to the new sponsoring organization is also assessed with a view to ensuring ongoing stable operation of the domain.

After receiving this documentation and input, it is analyzed in relation to existing root zone management procedures, seeking input from parties both related to as well as independent of the proposed sponsoring organization should the information provided in the original application be deficient. The applicant is given the opportunity to cure any deficiencies before a final assessment is made.

Once all the documentation has been received, various technical checks are performed on the proposed sponsoring organization's DNS infrastructure to ensure name servers are properly configured and are able to respond to queries correctly. Should any anomalies be detected, ICANN staff will work with the applicant to address the issues.

Assuming all issues are resolved, an assessment is compiled providing all relevant details regarding the proposed sponsoring organization and its suitability to operate the relevant top-level domain.

ICANN BOARD PAPER NO. 2015.04.26.1e

TITLE: **Appointment of Annual Independent Auditors**

PROPOSED ACTION: **For Board Approval**

EXECUTIVE SUMMARY:

Article XVI of the ICANN Bylaws (http://www.icann.org/general/bylaws.htm) requires that after the end of the fiscal year, the books of ICANN must be audited by certified public accountants, which shall be appointed by the Board.

The Audit Committee has unanimously approved the recommendation to the Board to engage BDO LLP and BDO members firms as annual independent auditors for the fiscal year ended 30 June 2015 for any annual independent audit requirements.

AUDIT COMMITTEE RECOMMENDATION:

Based on the report from staff and on the Audit Committee's independent evaluation, the committee members have unanimously recommended that the Board authorize the President and CEO, or his designee(s), to take all steps necessary to engage BDO LLP and BDO member firms as ICANN's annual independent auditor for the fiscal year ended 30 June 2015 for any annual independent audit requirements in any jurisdiction.

PROPOSED RESOLUTION:

Whereas, Article XVI of the ICANN Bylaws (http://www.icann.org/general/bylaws.htm) requires that after the end of the fiscal year, the books of ICANN must be audited by certified public accountants, which shall be appointed by the Board.

Whereas, the Board Audit Committee has discussed the engagement of the independent auditor for the fiscal year ending 30 June 2015, and has recommended that the Board authorize the President and CEO, or his designee(s), to take all steps necessary to engage BDO LLP and BDO member firms.

Resolved (2015.04.26.xx), the Board authorizes the President and CEO, or his designee(s), to take all steps necessary to engage BDO LLP and BDO member firms as the auditors for the financial statements for the fiscal year ending 30 June 2015.

RATIONALE FOR RESOLUTION:

The audit firm BDO LLP and BDO member firms were engaged for the annual independent audit of the fiscal year end 30 June 2014 as a result of an extensive RFP process. Based on the report from staff and the Audit Committee's evaluation of the work performed, the committee has unanimously recommended that the Board authorize the President and CEO, or his designee(s), to take all steps necessary to engage BDO LLP and BDO member firms as ICANN's annual independent auditor for the fiscal year ended 30 June 2015 for any annual independent audit requirements in any jurisdiction.

The engagement of an independent auditor is in fulfilment of ICANN's obligations to undertake an audit of ICANN's financial statements. This furthers ICANN's accountability to its Bylaws and processes, and the results of the independent auditors work will be publicly available. There is a fiscal impact to the engagement that has already been budgeted. There is no impact on the security or the stability of the DNS as a result of this appointment.

This is an Organizational Administrative Function not requiring public comment.

Submitted by:	Xavier Calvez
Position:	CFO
Date Noted:	30 March 2015
Email:	Xavier.calvez@icann.org

ICANN BOARD PAPER NO. 2015.04.26.1f

TITLE: **Next Steps for EWG Final Report on the Next Generation Registration Directory Services**

PROPOSED ACTION: **For Board Approval**

EXECUTIVE SUMMARY:

The Expert Working Group on gTLD Directory Services (EWG) issued its Final Report on 6 June 2014. This report fulfilled the ICANN Board's directive to help redefine the purpose and provision of gTLD registration data, and provided a foundation to help the GNSO create a new global policy for gTLD directory services. The Final Report details the EWG's recommendations for a next-generation Registration Directory Service (RDS) to replace the current WHOIS system with next-generation RDS that collects, validates and discloses gTLD registration data for permissible purposes only.

Last year, the GNSO and the Board identified members to participate in an informal collaboration group to determine the next steps for the EWG Final Report. This process group, known as the EWG-PG, developed a framework from which to conduct a policy development process (PDP) on the complex issues reflected in the EWG's 160+ page report. This collaboration group has submitted a transmittal letter [insert link] to the GNSO and to the Board containing its proposed framework for evaluating the EWG's recommendations.

STAFF RECOMMENDATION

With the delivery of the proposed framework for conducting the PDP, Staff recommends that the Board accept the framework, reconfirm its request to the GNSO to conduct a PDP on the EWG's recommendations, and create a Board committee to provide continued guidance on the GNSO PDP, and oversee the implementation of the remaining projects stemming from the Board's response to the WHOIS Review Team's recommendations.

PROCESS

The Board's Dakar resolution called for a two-pronged response to address the WHOIS Review Team's recommendations as described in its Final Report. One track focused on strengthening the enforcement of the current consensus policies and contract terms as applicable to WHOIS. This effort to improve WHOIS is currently in implementation, with several significant initiatives under development. More details on these implementation activities are described here.

However, recognizing the limitations of today's WHOIS, the Board simultaneously called for a second track, through the creation of the EWG, to redefine the purpose of collecting, maintaining and providing access to gTLD registration data, and consider safeguards for protecting data, as a foundation for new gTLD policy and contractual negotiations. The Dakar resolution further requested a GNSO policy development process (PDP) to examine the policy implications of the EWG's recommendations. A Preliminary Issue Report was published after Dakar, and the PDP was suspended pending the outcome of the EWG Work. With the publication of the EWG Final Report, the GNSO is set to resume the PDP. Since over two years have passed since the publication of the Preliminary Issue Report, it is recommended that a new Preliminary Issue Report be published for public comment based upon the EWG's Final Report, following the framework proposed by the EWG PG.

BUDGET CONSIDERATIONS

The resources generally required to support a policy development process are included in the proposed budget that has been published for public comment for the Fiscal Year 2016.

However, due to the expected complexity of this policy development process and the additional resources that may be needed to properly support an initiative of this magnitude, Staff recommends that the Board make a formal commitment that sufficient funds will be made available to conduct the PDP. The amount of such resources is to be determined, pending review of the GNSO's proposed plan and

schedule, as well as Staff's assessment of the resources required to implement this proposed plan.

PROPOSED RESOLUTION

Framework for Developing Policies to Support the Next Generation Registration Directory Services to Replace WHOIS

Whereas, in 2012, the Board adopted a two-pronged approach to address the recommendations of the WHOIS Review Team, calling for ICANN to (i) continue to fully enforce existing consensus policy and contractual conditions relating to WHOIS, and (ii) create an expert working group to determine the fundamental purpose and objectives of collecting, maintaining and providing access to gTLD registration data, to serve as a foundation for a Board-initiated GNSO policy development process (PDP).

Whereas, in 2014, the Expert Working Group on Next Generation Registration Directory Services (EWG) delivered its Final Report to the Board with its recommended model and principles to serve as the foundation for the GNSO PDP.

Whereas, an informal group of Board members and GNSO Councilors collaborated and developed a proposed framework to provide guidance to the GNSO PDP for the examination of the EWG's recommended models and principles for the next generation registration directory services to replace WHOIS.

Resolved (2015.04.26.xx), the Board thanks the EWG for the significant effort and work exerted that produced the proposed model for a next generation registration directory services as reflected in its Final Report.

Resolved (2015.04.26.xx), the Board reaffirms its request for a Board-initiated GNSO policy development process to refine the purpose of collecting, maintaining and providing access to gTLD registration data, and consider

safeguards for protecting data, using the recommendations in the Final Report as an input to, and, if appropriate, as the foundation for a new gTLD policy;

Resolved (2015.04.26.xx), the Board directs that a new Preliminary Issue Report that follows this framework be prepared and delivered to the GNSO;

Resolution Text Superseded

PROPOSED RATIONALE:

Why the Board is addressing the issue?

This resolution is a continuation of the Board's resolutions relating to the implementation of the Action Plan adopted by the Board in response to the WHOIS Review Team's recommendations. The resolution adopted today adopts a framework to conduct a board-initiated GNSO policy development process to refine the purpose of collecting, maintaining and providing access to gTLD registration data, and consider safeguards for protecting data, using the recommendations of the Expert Working Group's Final Report as an input to, if appropriate, to serve as the foundation for a new gTLD policy.

What is the proposal being considered?

Under the Affirmation of Commitments (AoC), ICANN is committed to enforcing its existing policy relating to WHOIS (subject to applicable laws), which "requires that ICANN implement measures to maintain timely, unrestricted and public access to accurate and complete WHOIS information…." The AoC obligates ICANN to organize no less frequently than every three years a community review of WHOIS policy and its implementation to assess the extent to which WHOIS policy is effective and its implementation meets the legitimate needs of law enforcement and promotes consumer trust. Under this timeline, the second WHOIS Review Team is to be convened in late 2015.

In 2012, in response to the recommendations of the first WHOIS Review Team, the Board adopted a two-prong approach that simultaneously directed ICANN to (1) implement improvements to the current WHOIS system based on the Action Plan that was based on the recommendations of the WHOIS Review Team, and (2) launch a new effort, achieved through the creation of the Expert Working Group, to focus on the purpose and provision of gTLD directory services, to serve as the foundation of a Board-initiated GNSO policy development process (PDP).

The Expert Working Group's Final Report contains a proposed model and detailed principles to serve as the foundation for a PDP to support the creation of the next generation registration directory services to replace WHOIS. This Final Report contains over 160 pages of complex principles and recommendations to be considered in the GNSO PDP. In order to effectively manage the PDP on such a large scale, an informal group of Board members and GNSO councilors collaborated to develop the framework approved today.

What factors did the Board find to be significant?

The complex nature of the EWG's recommendations, along with the contentiousness nature of the WHOIS issue in the ICANN community over the last ten+ years, calls for a very structured approach to conducting a policy

development process of this magnitude. The framework provides guidance to the GNSO on how to best structure the resulting PDP(s) for success – that is, it proposes a process which leads to new policies defining the purpose of gTLD registration data and improving accuracy, privacy, and access to that data.

This framework creates a 3-phased approach to conducting the PDP, with Phase 1 focusing on definition of the policy requirements, Phase 2 focusing on the functional design elements of the policy, and Phase 3 focusing on implementation of the policies and providing guidance during an expected transition period during which the legacy WHOIS system and the next generation registration directory services may coexist and both operational at the same time. The Board believes that following the framework will ensure that the PDP will properly address the many significant issues and interdependencies that require consideration in order to support the creation of the next generation registration directory services.

In addition, the Board believes that the importance of the WHOIS issue, along with the breadth and scope of the many WHOIS activities currently under way, support the need for a new Board committee to be created that would be dedicated to overseeing the entire WHOIS Program, as well as the conduct of the GNSO PDP, and the any future transition to a next generation registration directory services that may emerge following the GNSO PDP.

What significant materials did the Board review?

The Board reviewed the EWG Final Report, the framework developed through the informal collaboration between the Board and the GNSO Council, and the Briefing Papers submitted by Staff.

Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, or budget)?

Rationale Text Superseded

Are there any security, stability or resiliency issues relating to the DNS?

This action is not expected to have an immediate impact on the security, stability or resiliency of the DNS, though the outcomes of this work may result in positive impacts.

Is public comment required prior to Board action?

As this is a continuation of prior Board actions, public comment is not necessary prior to adoption. A public comment period will be commenced, as required by the ICANN Bylaws, once the Preliminary Issue Report is published by Staff, thereby allowing the framework approved today to be adjusted as appropriate prior to delivery of the Final Issue Report to the GNSO.

Signature Block:

Submitted by:	Margie Milam
Position:	Senior Director, Strategic Initiatives
Date Noted:	14 April, 2015
Email:	margie.milam@icann.org

ICANN BOARD SUBMISSION NO. 2015.04.26.2a

TITLE:	**Consideration of Independent Review Panel's Final Declaration in Booking.com v. ICANN**
PROPOSED ACTION:	**For Board Approval**

EXECUTIVE SUMMARY:

On 3 March 2015, the Independent Review Panel ("Panel") issued an advisory Final Declaration ("Final Declaration") in the Independent Review proceeding ("IRP") filed by Booking.com, challenging the String Similarity Panel's determination to place .hotels and .hoteis in contention and the Board's refusal to revise that determination. Booking.com also challenged the Board's conduct in adopting and implementing the entire string similarity review process. In a unanimous decision, the Panel denied Booking.com's IRP request and declared ICANN to be the prevailing party. The Panel determined that the Board's actions did not violate the Articles of Incorporation, Bylaws or Applicant Guidebook ("Guidebook"). (*See* Final Declaration, attached as Attachment 1 to the Reference Materials.) More specifically, the Panel found that the string similarity review performed in the case of .hotels and .hoteis was not inconsistent with the Articles of Incorporation, Bylaws, or Guidebook. With regard to the Board's adoption and implementation of the specific elements of the New gTLD Program and Guidebook, including the string similarity process, the Panel found that the time to challenge such action was long since passed. (*See id.* at p. 42.)

It should be noted, however, that while ruling in ICANN's favor, the Panel expressed sympathy for Booking.com insofar as the Panel suggests that there was a "lack of transparency and fairness" in the string similarity review process, and cited to individual statements of some New gTLD Program Committee (NGPC) members who abstained in final vote on adopt the New gTLD Program. The Final Declaration noted that there could be future improvements to the transparency of processes developed within the New gTLD Program.

Article IV, section 3.21 of the ICANN Bylaws provides that the Board shall consider the IRP Panel's final declaration at the Board's next meeting. (*See* https://www.icann.org/resources/pages/governance/bylaws-en/#IV.) In accordance with Article IV, section 3.21, the Board is being asked to consider and adopt the Panel's Final Declaration in the matter of Booking.com v. ICANN, including the points raised by the Panel regarding improvements to the transparency of processes within the New gTLD Program.

PROPOSED RESOLUTION:

Whereas, on 3 March 2015, an Independent Review Panel ("Panel") issued an advisory Final Declaration in the Independent Review proceeding ("IRP") filed by Booking.com (the "Final Declaration").

Whereas, Booking.com specifically challenged the determination of the String Similarity Panel ("SSP") to place .hotels and .hoteis in contention and the refusal of the Board to revise that determination, as well as the conduct of the Board in adopting and implementing the entire string similarity review process.

Whereas, the Panel denied Booking.com's IRP request because the Panel determined that "Booking.com failed to identify any instance of Board action or inaction or ICANN staff or a third party (such as the ICC, acting as SSP), that could be considered to be inconsistent with ICANN's Articles of Incorporation or Bylaws or with the policies and procedures established in the Guidebook." (https://www.icann.org/en/system/files/files/final-declaration-03mar15-en.pdf.)

Whereas, while ruling in ICANN's favor, the Panel expressed sympathy for Booking.com insofar as the IRP Panel suggests that there could be future improvements to the transparency of processes developed within the New gTLD Program, and the Board appreciates the IRP Panel comments with respect to ways in which the New gTLD Program processes might improve in future rounds.

Whereas, in accordance with Article IV, section 3.21 of ICANN's Bylaws, the Board has considered the Panel's Final Declaration.

Resolved (2015.04.26.xx), the Board accepts the following findings of the Independent Review Panel's Final Declaration that: (1) Booking.com has failed to identify any instance of Board action or inaction, or any action or inaction of ICANN staff or any third party (such as the ICC, acting as SSP), that could be considered to be inconsistent with ICANN's Articles of Incorporation or Bylaws or with the policies and procedures established in the Guidebook, including the challenged actions of the Board (or any staff or third party) in relation to what Booking.com calls the implementation and supervision of the string similarity review process generally, as well as the challenged actions of the Board (or any staff or third party) in relation to the string similarity review of resulting in the placement of .hotels and .hoteis in contention; (2) the string similarity review performed in the case of .hotels was not inconsistent with ICANN's Articles of Incorporation or Bylaws or with the policies and procedures established in the Guidebook; (3) the time to challenge the Board's adoption and implementation of specific elements of the New gTLD Program, including the string similarity review process has long since passed; and (4) each party shall bear its own IRP costs.

Resolved (2015.04.26.xx), the Board directs the President and CEO, or his designee(s), to move forward with processing of the .hotels/.hoteis contention set.

Resolved (2015.04.26.xx), the Board directs the President and CEO, or his designee(s), to ensure that the ongoing reviews of the New gTLD Program take into consideration the following issues raised by the Panel in the Final Declaration regarding transparency and fairness:

- "The Guidebook provides no means for applicants to provide evidence or make submissions to the SSP (or any other ICANN body) and to be fully "heard" on the substantive question of the similarity of their applied-for gTLD strings to others."
- "[T]he process as it exists does [not] provide for gTLD applicants to benefit from the sort of procedural mechanisms - for example, to inform the SSP's review, to receive reasoned determinations from the SSP, or to appeal the merits of those determinations.

PROPOSED RATIONALE:

Booking.com filed a request for an Independent Review Proceeding (IRP) challenging the ICANN Board's handling of Booking.com's application for .hotels, including the determination of the String Similarity Panel (SSP) to place .hotels and .hoteis in contention and the refusal of the Board to revise that determination. Booking.com also challenged the conduct of the Board in the setting up, implementation, and supervision and review of the entire string similarity review process. On 3 March 2015, the IRP Panel (Panel), comprised of three Panelists, issued its Final Declaration. After consideration and discussion, pursuant to Article IV, Section 3.21 of the ICANN Bylaws, the Board adopts the findings of the Panel, which are summarized below, and can be found in full at https://www.icann.org/en/system/files/files/final-declaration-03mar15-en.pdf.

The Panel found that it was charged with "objectively" determining, whether or not the Board's actions are in fact consistent with the Articles, Bylaws, and Guidebook, thereby requiring that the Board's conduct be appraised independently, and without any presumption of correctness. The Panel agreed with ICANN that in determining the consistency of the Board action with the Articles, Bylaws, and Guidebook, the Panel is neither asked to, nor allowed to, substitute its judgment for that of the Board.

Using the applicable standard of review, the Panel found that objectively there was not an inconsistency with the Articles, Bylaws and Guidebook, noting that "the established process was followed in all respects" concerning the process followed by the String Similarity Panel and the BGC's [Board Governance Committee] handling of Booking.com's reconsideration request." (Final Declaration, https://www.icann.org/en/system/files/files/final-declaration-03mar15-en.pdf, at p. 41.) Specifically, the Panel concluded:

> 144. Booking.com has failed to identify any instance of Board action or inaction, including any action or inaction of ICANN staff or a third party (such as ICC, acting as the SSP), that could be considered to be inconsistent with ICANN's Articles of Incorporation or Bylaws or with the

> policies and procedures established in the Guidebook. This includes the challenged actions of the Board (or any staff or third party) in relation to what Booking.com calls the implementation and supervision of the string similarity review process generally, as well as the challenged actions of the Board (or any staff or third party) in relation to the string similarity review of .hotels in particular.
>
> 145. More particularly, the Panel finds that the string similarity review performed in the case of .hotels was not inconsistent with the Articles or Bylaws or with what Booking.com refers to as the "applicable rules" as set out in the Guidebook.
>
> 146. To the extent that the Board's adoption and implementation of specific elements of the new gTLD Program and Guidebook, including the string similarity review process, could potentially be said to be inconsistent with the principles of transparency or fairness that underlie ICANN's Articles and Incorporation and Bylaws (which the Panel does not say is the case), the time to challenge such action has long since passed.

(*Id.* at pp. 42-43.) Accordingly, the Panel declared ICANN to be the prevailing party. (*See id.* at ¶ 152, p. 43.)

The Panel acknowledged certain legitimate concerns regarding the string similarity review process raised by Booking.com, which concerns the Panel noted were shared by some members of the NGPC. Most notably, the IRP Panel noted that while the String Similarity Review Process, as it exists does not allow for some procedural appeal mechanism, "[a]s to whether they *should* be, it is not our place to express an opinion, though we note that such additional mechanisms surely would be consistent with the principles of transparency and fairness." (*Id.* at ¶ 128, p. 37.)

The Board appreciates the IRP Panel comments with respect to ways in which the New gTLD Program processes might improve in future rounds. ICANN will take the lessons

learned from this IRP and apply it towards its ongoing assessments of the ways in which it can improve upon its commitments to accountability and transparency. In particular, the Board will include the following concerns expressed by the Panel in its review of the New gTLD Program for the next round:

- "The Guidebook provides no means for applicants to provide evidence or make submissions to the SSP (or any other ICANN body) and to be fully "heard" on the substantive question of the similarity of their applied-for gTLD strings to others."
- "[T]he process as it exists does [n]ot provide for gTLD applicants to benefit from the sort of procedural mechanisms - for example, to inform the SSP's review, to receive reasoned determinations from the SSP, or to appeal the merits of those determinations.

This action will have no financial impact on the organization and no direct impact on the security, stability or resiliency of the domain name system.

This is an Organizational Administrative function that does not require public comment

Submitted By:	Amy A. Stathos, Deputy General Counsel
Date Noted:	14 April 2015
Email:	amy.stathos@icann.org

ICANN BOARD PAPER NO. 2015.04.26.2b

TITLE: **Reserve Fund Release – USG IANA Stewardship Transition Costs**

PROPOSED ACTION: **For Board Approval**

EXECUTIVE SUMMARY:

The Board approved the FY15 Operating Plan and Budget on 9 September 2014. The FY15 Operating Plan and Budget included the USG IANA Stewardship Transition initiative that was expected to cost approximately $7million during FY15.

Considering its exceptional nature and the significant amount of costs anticipated to be incurred, the funding of the costs of the USG IANA Stewardship Transition initiative was expected to be provided through a corresponding withdrawal of funds from the ICANN Reserve Fund. The ICANN Board is now being asked to approve the release of those funds from the Reserve Fund to cover the actual costs incurred in FY15 related to the USG IANA Stewardship Transition initiative as anticipated in the FY15 Operating Plan and Budget, in an amount not to exceed US$7 million.

STAFF and BOARD FINANCE COMMITTEE RECOMMENDATION:

Based on the report provided by staff, the Board Finance Committee has recommended that the Board approve the release of funds from the Reserve Fund to cover actual costs incurred in FY15 related to the USG IANA Stewardship Transition initiative, in an amount not to exceed US$7 million.

PROPOSED RESOLUTION:

Whereas, the Board approved the FY15 Operating Plan and Budget, which includes an amount of US$7 million for costs to be incurred related to the USG IANA Stewardship Transition initiative, which was expected to be funded by the Reserve Fund.

Whereas, ICANN is incurring ongoing costs to support the work of the ICANN Community in relation to the USG IANA Stewardship Transition initiative.

Whereas, the Board Finance Committee has recommended that the Board approve the release of funds from the Reserve Fund to cover costs incurred in FY15 related to the

USG IANA Stewardship Transition initiative in an amount not to exceed US$7 million, and the Board agrees.

Resolved (2014.04.26.xx), the Board authorizes the President and CEO, or his designee(s), to withdraw funds from the Reserve Fund to cover costs incurred in FY15 related to the USG IANA Stewardship Transition initiative in an amount not to exceed US$7 million.

PROPOSED RATIONALE:

The USG IANA Stewardship Transition initiative is a major initiative to which the ICANN Community as a whole is dedicating a significant amount of time and resources. ICANN's supporting the Community in its work towards a successful completion of the project (including both the USG IANA Stewardship transition proposal development and accountability work) is critical for ICANN.

Considering its exceptional nature and the significant amount of costs anticipated to be incurred, the funding of this project could not be provided through the ICANN annual operating revenue. Accordingly, when the Board approved the FY15 Operating Plan and Budget, it included the anticipated funding of the project costs (US$7 million through a corresponding withdrawal from the Reserve Fund.

As costs are incurred during FY15 for this project, ICANN is proceeding with the planned withdrawals of funds from the Reserve Fund to cover the actual costs incurred in FY15 related to USG IANA Stewardship Transition initiative, up to the amount of US$7 million included in the Board approved FY15 Operating Plan and Budget.

This is an Organizational Administrative Function that does not require public comment at this stage. In particular, the anticipated costs of US$7 million was included in the FY15 Operating Plan and Budget that was subject to public comment before it was approved by the Board.

Submitted by: Xavier Calvez, CFO
Date Noted: 1 April 2015
Email: Xavier.calvez@icann.org

ICANN BOARD PAPER NO. 2015.04.26.2c

TITLE: **IT Services Contracting**

PROPOSED ACTION: **Board Approval**

EXECUTIVE SUMMARY:

ICANN uses the services of multiple vendors to provide IT services relative to ongoing activities and development projects. ICANN has determined that it would be more efficient operationally and financially to consolidate the services provided by multiple vendors on one preferred partner. ICANN staff has conducted an extensive request for proposal (RFP) process to identify a capable partner, which led to the selection of our current vender. ICANN staff has since conducted several pilot projects to further establish the effective capabilities of the selected candidate, which have proven successful. ICANN staff is now ready to engage the services of the current vendor for ongoing services and for development projects for a period of three years, Confidential Negotiation Information. The Board is being asked to approve this action because the intended spend with this one vendor is over US$500,000, which requires Board approval.

STAFF AND BOARD FINANCE COMMITTEE (BFC) RECOMMENDATION:

Based on staff analysis, the BFC members have recommended that the Board authorize the President and CEO, or his designee(s), to take all actions necessary to contract with, make payments to, and carry out any additional necessary actions with its current vendor to obtain various IT services Confidential Negotiation Information.

PROPOSED RESOLUTION:

Whereas, ICANN sources IT services from multiple different vendors and wish to consolidate its sourcing of such services to improve efficiency, quality and costs.

Whereas, ICANN staff has undergone an extensive request for proposal process involving 28 potential service providers, which led, after multiple reviews, demonstrations and interviews to the identification of one preferred candidate, Zensar.

Whereas, ICANN staff has undergone further due diligence of Zensar by organizing pilot projects for approximately four months to determine the effective ability to obtain timely quality services from Zensar, which have proven highly conclusive.

Whereas, ICANN staff considers that Zensar has demonstrated the ability to provide ongoing services and project development support durably.

Resolved (2015.04.26.xx), the Board authorizes the President and CEO, or his designee(s), to take all actions necessary to contract with, make payments to, and carry out any additional necessary actions with Zensar for a period of up to three years, involving expenses of up to

Resolved (2015.04.26.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article III, section 5.2 of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

PROPOSED RATIONALE:

ICANN has been using the services of multiple vendors for its IT related needs, either for ongoing activities or for development projects. The management of multiple vendors is inefficient and generally leads to a higher cost for the value of services received.

ICANN staff has investigated alternative solutions to obtain the IT services that it requires, and the solution of obtaining several services on a long-term basis from a single external vendor with a knowledgeable and competent pool of resources is the preferred approach.

ICANN staff has therefore conducted an extensive request for proposal (RFP) process by defining the list of potential services it requires, obtaining proposals from 28 different vendors, conducting in-depth reviews, selecting a shortlist of five capable firms, interviewing each of the five firms, identifying two shortlisted candidates, and conducting deep-dive analyses of the two organizations to ultimately select Zensar as the preferred candidate. ICANN staff then conducted several pilot projects with Zensar to establish through live services and projects the ability of the company to put in place the adequate resources to provide timely quality services.

This extensive selection and testing process has provided a high confidence that Zensar is a

capable partner for a durable period and ICANN Staff has recommended to engage the services of Zensar for a period of three years, up to Confidential Negotiation Information

Confidential Negotiation Information

This is an Organizational Administrative Function that does not require public comment.

Submitted By:	Xavier Calvez, Chief Financial Officer
Date Noted:	18 April 2015
Email:	xavier.calvez@icann.org

ICANN BOARD PAPER NO. 2015.04.26.2d

TITLE: **SO/AC FY16 Additional Budget Requests Approval**

PROPOSED ACTION: **For Board Approval**

EXECUTIVE SUMMARY:

As a result of prior discussions between community members and staff, an additional budget requests process was created to enable each Supporting Organizations (SO) and Advisory Committees (AC) to formulate requests for funding of actions to be carried out in the following fiscal year. To allow both community members and staff sufficient time to organize events that occur very soon after the Board approves the overall budget, the approval of these additional budget requests must happen in advance of the approval of the overall ICANN Operating Plan and Budget.

The process includes a deadline of 28 February 2015 for the SOs and ACs to present additional budget requests and an indication that the Board would take action on recommendations relating to those requests by the end of April 2015.

STAFF AND BOARD FINANCE COMMITTEE RECOMMENDATION:

The staff and the Board Finance Committee (BFC) recommend that the Board approve funds in the amount of $657k to cover the costs of the FY16 SO and AC additional budget requests.

PROPOSED RESOLUTION:

Whereas, prior discussions between community members and ICANN staff members identified the need for an earlier decision on the funding of additional budget requests from ICANN's Supporting Organizations (SO) and Advisory Committees (AC).

Whereas, the staff created an SO/AC additional budget requests process, to collect, review and submit for Board approval funding requests from the SOs and ACs.

Whereas, requests were submitted by the ICANN Community by the set deadline, and were reviewed by a panel of staff members representing the Policy, Stakeholders Engagement and Finance personnel.

Whereas, the review panel recommended the approval of requests representing $657,300 for approval.

Whereas the Board Finance Committee, reviewed the process followed and the staff's proposal, and has recommended that the Board approve staff's recommendation.

Resolved (2015.04.26.xx), the Board approves committing $657,300 during Fiscal Year 2016 to cover the costs associated with the adopted SO/AC additional budget requests.

PROPOSED RATIONALE:

Rationale Text Superseded

and does not create additional expenses. The amount of the committed expenses resulting from this resolution is considered sufficiently small to not require that funding resources are specifically identified and approved by the Board.

There is no anticipated impact from this decision on the security, stability and resiliency of the domain name system as a result of this decision.

The approval process is an Organizational Administrative process, that has already been subject to significant input from the community.

Submitted by:	Xavier Calvez
Position:	CFO
Date Noted:	15 April 2015
Email:	Xavier.calvez@icann.org

ICANN BOARD PAPER NO. 2015.04.26.2e

TITLE: **ICANN Five-Year Operating Plan**

PROPOSED ACTION: **For Board Approval**

EXECUTIVE SUMMARY:

As part of ICANN's planning process, the Board is now asked to review and approve Version 2 of the draft ICANN Five-Year Operating Plan for fiscal year 2016 through 2020 (FY16-FY20). Version 1 was reviewed by the Board on 16 October 2014 and published for Public Comment from 11 November 2014 to 4 January 2015. Version 2 includes modifications based on public comments received, feedback received from the community during ICANN 52, and management review.

Generally, the Five-Year Operating Plan helps to establish and communicate the roadmap to operationalize ICANN's menu of work. The Five-Year Operating Plan is an integral part of ICANN's new planning process as it will help inform the next annual planning phase each year, the annual Operating Plan and Budgets.

STAFF RECOMMENDATION:

Staff recommends that the Board approve the draft ICANN Five-Year Operating Plan for FY16-FY20. The recommendation is based upon the following: (1) the adopted Five-Year Strategic Plan is its foundation; (2) the Five-Year Operating Plan provides clarification at a high level on the how and when ICANN's menu of work will be implemented; and (3) the Five-Year Operating Plan was developed in conjunction with the community using an open and transparent bottom-up, multistakeholder approach.

PROPOSED RESOLUTION:

Whereas, the ICANN Five-Year Operating Plan provides: (i) a five-year planning calendar; (ii) strategic goals with corresponding key performance indicators; (iii) dependencies; (iv) a five-year phasing; (v) a list of portfolios; and (vi) a five-year financial model.

Whereas, together with the ICANN Five-Year Strategic Plan, the ICANN Five-Year Operating Plan will serve as a foundation for the annual operating plans and budgets.

Whereas, the ICANN Five-Year Operating Plan for FY16-FY20 is the result of an extensive, collaborative, bottom-up, multistakeholder and multilingual process using the Board adopted Five-Year Strategic Plan FY16-FY20 as its foundation.

Whereas, the ICANN Five-Year Operating Plan will be maintained and updated on an annual basis per ICANN's planning process.

Resolved (2015.04.26.xx), the Board herby adopts the ICANN Five-Year Operating Plan for FY2016 – FY2020.

PROPOSED RATIONALE:

As a new element of ICANN's planning process, the ICANN Five-Year Operating Plan for FY16-FY20 complements the Five-Year Strategic Plan, will guide ICANN's activities for the next five years, and will inform ICANN's annual operating plans and budgets.

With the focus to provide the public with more insight and advance ICANN's accountability and transparency, the Five-Year Operating Plan sets forth details for each Strategic Objective and Goal – portfolios of ICANN activities, key operational success factors (outcomes), key performance indicators (measurements), key dependencies, and phasing over the five years (at the Goal level); and is completed by a five-year financial model, which describes the principles and approach to ensure financial accountability and sustainability in achieving the ICANN mission.

The ICANN Five-Year Operating Plan for FY16-FY20 is the result of a collaborative and bottom-up multistakeholder process, which included extensive public input. Public comments were sought from 11 November 2014 to 4 January 2015. Also, the Community discussions at ICANN 52, Singapore, (detailed here) involving ICANN's Supporting Organizations, Stakeholder Groups,

Constituencies, and Advisory Committees, have further refined the ICANN Five-Year Operating Plan for FY16-FY20.

Adopting the ICANN Five-Year Operating Plan will be advantageous to all stakeholders and the entire ICANN community. This decision itself will have no specific fiscal impact that is not, or will not be, anticipated through the annual Operating Plan and Budgets going forward for the next five years. Further, this action will have no direct impact on the security and stability of the domain name system.

This is an Organization Administrative Function that has already been subject to lengthy public comment, as note above.

Submitted by:	Carole Cornell
Position:	Senior Director, Business Intelligence & Program Management
Date Noted:	14 April 2015
Email:	Carole.cornell@icann.org

ICANN BOARD SUBMISSION NO. 2015.04.26.2f

TITLE: **Structural Improvements Committee Chair**

PROPOSED ACTION: **For Board Approval**

EXECUTIVE SUMMARY:

It is understood that Ray Plzak, the current Chair of the Structural Improvements Committee (SIC), will be stepping down from the ICANN Board when his term expires at the conclusion of the Annual General Meeting in October 2015. It is also understood that there has been discussions about Rinalia Abdul Rahim taking over as Chair of the SIC with Mr. Plzak working with Ms. Abdul Rahim on the transition during the remainder of his term. The Board is being asked to appoint Rinalia Abdul Rahim as the Chair of the SIC and retain Ray Plzak a member of the SIC, effective immediately.

BOARD GOVERNANCE COMMITTEE (BGC) RECOMMENDATION:

The BGC recommends that the Board appoint Rinalia Abdul Rahim as the Chair of the SIC and retain Ray Plzak a member of the SIC effective immediately.

PROPOSED RESOLUTION:

Whereas, Ray Plzak is a member of the Board and current Chair of the Structural Improvements Committee (SIC).

Whereas, Mr. Plzak's current term on the Board expires at the conclusion of the Annual General Meeting in October 2015, and Mr. Plzak is not seeking another term.

Whereas, Rinalia Abdul Rahim is a current member of the Board and member of the SIC.

Whereas, to facilitate the smooth transition of leadership of the SIC at the expiration of Mr. Plzak's term, the BGC recommended that the Board immediately appoint Rinalia Abdul Rahim as the Chair of the SIC and retain Ray as a member of the SIC.

Resolved (2015.04.26.xx), the Board appoints Rinalia Abdul Rahim as the Chair of the Structural Improvements Committee (SIC) and retains Ray Plzak a member of the SIC effective immediately.

PROPOSED RATIONALE:

The Board is committed to facilitating a smooth transition in the leadership of the Structural Improvements Committee (SIC) when Ray Plzak's term on the Board expires at the conclusion of the Annual General Meeting in October 2015. In light of the

Rationale Text Superseded

This action will have no financial impact on the organization and no direct impact on the security, stability or resiliency of the domain name system.

This is an Organizational Administrative function that does not require public comment.

Submitted By:	Amy A. Stathos, Deputy General Counsel
Date Noted:	18 April 2015
Email:	amy.stathos@icann.org

Pages 65 - 69 Removed - Superseded by document titled "2015-04-26-2g-Board Paper-Digital Services Review-Rev 1.docx"

ICANN BOARD PAPER NO. 2015.04.26.2h

TITLE: **Investment management – Adjustments to the account structure**

PROPOSED ACTION: **For Board Approval**

EXECUTIVE SUMMARY:

The Board approved in FY12 a specific New gTLD Investment Policy, including the creation of investment management accounts at three different investment firms for the purpose of investing the funds collected from applicants to the new gTLD program. The Investment Policy suggests that the funds are consolidated onto two managers once the aggregated funds held approach US$150 million. Separately, auction proceeds have been collected over the past months and held in a bank account, separate from the bank accounts used by ICANN for its operations and for the New gTLD Program. Those auction funds should be invested and remain segregated.

The Board is being asked to approve the consolidation of the new gTLD funds remaining available (US$171m as of 31 March 2015) onto tow of the three existing investment managers, and open a new investment account at the third manager, to be managed using the same investment policy as the one applicable to the new gTLD funds.

STAFF and BOARD FINANCE COMMITTEE RECOMMENDATION:

Based on the report provided by staff, the Board Finance Committee has recommended that the Board approve delegating to the CEO authority to take all necessary actions to consolidate the new gTLD remaining funds onto two investment managers, and create a segregated investment account dedicated to the management of the auction proceeds.

PROPOSED RESOLUTION:

Whereas, the Board approved in previous years the new gTLD Investment Policy and the creation of three different investment accounts to hold and manage the funds resulting from new gTLD application fees collected.

Whereas, the new gTLD Investment Policy requires that, when the aggregate amount of remaining new gTLD funds reaches $150 million, those remaining funds be managed by two investment firms instead of three.

Whereas, the new gTLD remaining funds amount to US$171 million as of 31 March 2015.

Whereas, auction proceeds have been collected for a total (net of auction costs) of approximately US$59 million.

Resolved (2015.04.26.xx), the Board authorizes the President and CEO, or his designee(s), to take all actions necessary to consolidate the new gTLD remaining funds with two of the three existing investment managers.

Resolved (2015.04.26.xx), the Board authorizes the President and CEO, or his designee(s), to take all actions necessary to invest the proceeds generated through the last resort auctions in the New gTLD Program in a segregated investment management account.

PROPOSED RATIONALE:

By the end of June 2012, and pursuant to the New gTLD Investment Policy (available at https://www.icann.org/resources/pages/investment-policy-new-gtld-2013-01-07-en), the application fees received in the first application round in the New gTLD Program have been invested in investment accounts at three different investment firms. The Board-approved New gTLD Investment Policy includes a provision requiring that once the remaining funds under management reach $150 million, only two investment managers should be used. The current level of remaining new gTLD funds is US$171 million (as of 31 March 2015), and therefore is approaching the US$150 million threshold.

Separately, net auction proceeds gathered through the last resort auctions within the New gTLD Program of US$59 million have been collected over the past eight months and kept in a separate bank account. These funds need to be invested until the mechanism for disposition of the auction funds is determined.

As a result, the Board Finance Committee has approved a staff recommendation that

that: (1) the remaining new gTLD funds are consolidated into two investment managers, as required by the of the New gTLD Investment Policy; and (2) the third investment manager (i.e., the investment manager that will no longer have New gTLD application funds under management) will be requested to create a new investment account, dedicated to managing auction proceeds received through the New gTLD Program.

This decision is in line with prior Board actions on the management of application fees collected within the New gTLD Program. This decision has no impact on the security, stability and resiliency of the Internet DNS.

This is an Organizational Administrative Function that does not require public comment at this stage.

Submitted by:	Xavier Calvez, CFO
Date Noted:	15 April 2015
Email:	Xavier.calvez@icann.org

Pages 73-113 Removed - Superseded by
https://www.icann.org/resources/board-material/resolutions-2015-04-26-en