ICANN 26 APRIL 2015 BOARD MEETING REFERENC MATERIALS

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REFERENCE MATERIALS – BOARD PAPER NO. 2015.04.26.2a

TITLE: **Consideration of Independent Review Panel's Final Declaration in Booking.com v. ICANN**

Document/Background Links

The following attachments are relevant to the Board's consideration of the Independent Review Panel's Final Declaration in the independent review matter filed by Booking.com.

Attachment A is the Final Declaration issued by the Independent Review Panel, dated 3 March 2015.

Submitted By:	Amy A. Stathos, Deputy General Counsel
Date Noted:	14 April 2015
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INTERNATIONAL CENTRE FOR DISPUTE RESOLUTION

Independent Review Process Panel

In the Matter of an Independent Review Process

Between:

Booking.com B.V.

Applicant

-and-

ICDR Case No: 50-20-1400-0247

Internet Corporation for Assigned Names and Numbers (ICANN)

Respondent

FINAL DECLARATION

The Panel:

Hon. A. Howard Matz
David H. Bernstein, Esq.
Stephen L. Drymer (Chair)

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DECLARATION

WE, THE UNDERSIGNED PANELISTS, members of the Independent Review Process Panel ("**IRP Panel**" or "**Panel**"), having been designated in accordance with ICANN Bylaws dated 11 April 2013, hereby issue the following Final Declaration ("**Declaration**"):[1]

I. INTRODUCTION

1. This Declaration is issued in the context of an Independent Review Process ("**IRP**") as provided for in Article IV, Section 3 of the Bylaws of the Internet Corporation for Assigned Names and Numbers ("**ICANN**"; "**ICANN Bylaws**" or "**Bylaws**"). In accordance with those Bylaws, the conduct of this IRP is governed by the International Arbitration Rules of the International Centre for Dispute Resolution as amended and in effect June 1, 2009 ("**ICDR**"; "**ICDR Rules**") as supplemented by the Supplementary Procedures for Internet Corporation for Assigned Names and Numbers (ICANN) Independent Review Process ("**Supplementary Procedures**").

2. The subject matter of the dispute here concerns alleged conduct by the ICANN Board in relation to one particular facet of the process by which new generic top-level domains ("**gTLDs**", also known as gTLD "**strings**") are applied for, reviewed and delegated into the Internet's domain name system ("**DNS**") root zone.

3. As explained in this Declaration, the Applicant, Booking.com, alleges that, in establishing and overseeing the process by which so-called *string similarity reviews* are conducted, and in refusing to reconsider and overturn a decision to place Booking.com's applied-for gTLD string .hotels in a so-called *string contention set*, the Board acted in a manner inconsistent with applicable policies, procedures and rules as set out in ICANN's Articles of Incorporation, Bylaws and gTLD Applicant Guidebook ("**Guidebook**").

4. Reading between the lines of the parties' submissions, the Panel senses that both sides would welcome the opportunity to contribute to an exchange that might result in enabling disputants in future cases to avoid having to resort to an IRP to resolve issues such as have arisen here. Certainly the Panel considers that the present matter would ideally have been resolved amicably by the parties. This is particularly true given that the matter here concerns two of ICANN's guiding principles – transparency and fairness – as applied to one of ICANN's most essential activities – the delegation of new gTLDs[2] – in circumstances in which various members of the Internet community, including certain members of the ICANN Board's New gTLD Program Committee, have expressed their own concerns regarding the string similarity review process. That being the case, though, the Panel does not shy away from the duty imposed by the Bylaws to address the questions before it and to render the

[1] As requested by the ICDR, the Declaration was provided to the ICDR in draft form on 26 January 2015 for non-substantive comments on the text (if any). It was returned to the Panel on 2 March 2015.

[2] As stated in the very first sentence of the Guidebook: "New gTLDs have been in the forefront of ICANN's agenda since its creation."

present Declaration, in accordance with, and within the constraints of the Bylaws, the ICDR Rules and the Supplementary Procedures.

II. THE PARTIES

A. The Applicant: Booking.com

5. The Applicant, Booking.com, is a limited liability company established under the law of the Netherlands. Booking.com describes itself as "the number one online hotel reservation service in the world, offering over 435,605 hotels and accommodations."[3] Booking.com's primary focus is on the U.S. and other English-language markets.

6. Booking.com is represented in this IRP by Mr. Flip Petillion and Mr. Jan Janssen of the law firm *Crowell & Moring* in Brussels, Belgium.

B. The Respondent: ICANN

7. The Respondent, ICANN, is a California not-for-profit public benefit corporation, formed in 1998. As set forth in Article I, Section 1 of its Bylaws, ICANN's mission is "to coordinate, at the overall level, the global Internet's system of unique identifiers, and in particular to ensure the stable and secure option of the Internet's unique identifier systems." ICANN describes itself as "a complex organization that facilitates input from a wide variety of Internet stakeholders. ICANN has a Board of Directors and staff members from around the globe, as well as an Ombudsman. ICANN, however, is much more than just the corporation—it is a community of participants."[4]

8. ICANN is represented in this IRP by Mr. Jeffrey A. LeVee, Esq. and Ms. Kate Wallace, Esq. of the law firm *Jones Day* in Los Angeles, California, USA.

III. FACTUAL AND PROCEDURAL BACKGROUND – IN BRIEF

9. We recount here certain uncontested elements of the factual and procedural background to the present IRP. Other facts are addressed in subsequent parts of the Declaration, where the parties' respective claims and the Panel's analysis are discussed.

A. ICANN's Adoption of the New gTLD Program and the Applicant Guidebook

10. Even before the introduction of ICANN's New gTLD Program ("**Program**"), in 2011, ICANN had, over time, gradually expanded the DNS from the original six gTLDs (.com; .edu; .gov; .mil; .net; .org) to 22 gTLDs and over 250 two-letter country-code TLDs.[5] Indeed, as noted above, the introduction of new gTLDs has been "in the forefront of ICANN's agenda" for as long as ICANN has existed.

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[3] Request, ¶ 10.

[4] Response, ¶ 11-12.

[5] Request, ¶ 12; see also Guidebook, *Preamble*.

11. The Program has its origins in what the Guidebook refers to as "carefully deliberated policy development work" by the ICANN community.[6]

12. In 2005, ICANN's Generic Names Supporting Organization ("**GNSO**"), one of the groups that coordinates global Internet policy at ICANN, commenced a policy development process to consider the introduction of new gTLDs.[7] As noted in the Guidebook:

> *Representatives from a wide variety of stakeholder groups – governments, individuals, civil society, business and intellectual property constituencies, and the technology community – were engaged in discussions for more than 18 months on such questions as the demand, benefits and risks of new gTLDs, the selection criteria that should be applied, how gTLDs should be allocated, and the contractual conditions that should be required for new gTLD registries going forward.*

13. In October 2007, the GNSO formally completed its policy development work on new gTLDs and approved a set of 19 policy recommendations.

14. In June 2008, the ICANN Board decided to adopt the policies recommended by the GNSO.[8] As explained in the Guidebook, ICANN's work next focused on implementation of these recommendations, which it saw as "creating an application and evaluation process for new gTLDs that is aligned with the policy recommendations and provides a clear roadmap for applicants to reach delegation, including Board approval."[9]

15. This process concluded with the decision by the ICANN Board in June 2011 to implement the New gTLD Program and its foundational instrument, the Guidebook.[10]

16. As described by ICANN in these proceedings, the Program "constitutes by far ICANN's most ambitious expansion of the Internet's naming system. The Program's goals include

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[6] Guidebook, *Preamble*

[7] Request, ¶ 13, Reference Material 7, "Public Comment Forum for Terms of Reference for New gTLDs (6 December 2005), http://www.icann.org/en/news/announcements/announcement-06dec05-en.htm#TOR; Reference Material 8, "GNSO Issues Report, Introduction of New Top-Level Domains (5 December 2005) at pp. 3-4. See also Guidebook, *Preamble*. Booking.com refers to the GNSO as "ICANN's main policy-making body for generic top-level domains". Article X of ICANN's Articles of Incorporation provides: "There shall be a policy-development body known as the Generic Names Supporting Organization (GNSO), which shall be responsible for developing and recommending to the ICANN Board substantive policies relating to generic top-level domains" (Section 1); the GNSO shall consist of "a number of Constituencies" and "four Stakeholder Groups" (Section 2).

[8] Guidebook, *Preamble*. A review of this policy process can be found at http://gnso.icann.org/issues/new-gtlds (last accessed on January 15, 2015).

[9] Guidebook, *Preamble*: "This implementation work is reflected in the drafts of the applicant guidebook that were released for public comment, and in the explanatory papers giving insight into rationale behind some of the conclusions reached on specific topics. Meaningful community input has led to revisions of the draft applicant guidebook."

[10] RM 10 (ICANN resolution). The Guidebook (in its 30 May 2011 version) is one of seven "elements" of the Program implemented in 2011. The other elements were: a draft communications plan; "operational readiness activities"; a program to ensure support for applicants from developing countries; "a process for handling requests for removal of cross-ownership restrictions on operators of existing gTLDs who want to participate in the [Program]"; budgeted expenditures; and a timetable.

enhancing competition and consumer choice, and enabling the benefits of innovation via the introduction of new gTLDs ...".[11]

17. The Guidebook is "continuously iterated and revised", and "provides details to gTLD applicants and forms the basis for ICANN's evaluation of new gTLD applications."[12] As noted by Booking.com, the Guidebook "is the crystallization of Board-approved consensus policy concerning the introduction of new gTLDs."[13]

B. Booking.com's Application for .hotels, and the Outcome

18. In accordance with the process set out in the Guidebook, Booking.com filed an application (Application ID 1-1016-75482) for the gTLD string .hotels.

19. At the same time, Despegar Online SRL ("**Despegar**"), a corporation established under the law of Uruguay, applied (Application ID 1-1249-87712) for the string .hoteis.

20. "Hoteis" is the Portuguese word for "hotels".

21. According to Booking.com, Despegar is "a competitor of Booking.com".[14] Booking.com claims that it intends "to operate .hotels as a secure Internet environment providing hotel reservation services for consumers, hotels, and other stakeholders,"[15] while Despegar similarly intends .hoteis to be dedicated primarily to "individuals that are interested in, and businesses that offer, hotel- and travel-related content."[16] That being said, a key difference between the two applications, as Booking.com acknowledges, is that Booking.com intends to focus the services it will offer under its proposed gTLD "on the U.S. (with its strongly Anglos-Saxon traditions) and other English-language markets,"[17] whereas Despegar intends to target "Portuguese-speaking" markets."[18]

22. As part of the Initial Evaluation to which all applied-for gTLDS were subject, .hotels and .hoteis were each required to undergo so-called *string review* in accordance with the Guidebook, the first component of which is a process known as *string similarity review*. As provided by the Guidebook, the string similarity review was conducted by an independent

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[11] Response, ¶ 14.

[12] Response, ¶ 14. The resolution (RM 10) adopting the Guidebook explicitly "authorizes staff to make further updates and changes to the Applicant Guidebook as necessary and appropriate, including as the possible result of new technical standards, reference documents, or policies that might be adopted during the course of the application process, and to prominently publish notice of such changes."

[1313] Request, ¶ 13. See also Guidebook, Module 1-2: "This Applicant Guidebook is the implementation of Board approved consensus policy concerning the introduction of new gTLDs, and has been revised extensively via public comment and consultation over a two-year period."

[1414] Request, ¶ 17.

[15] Request, ¶ 5.

[16] Request, ¶ 17. See also Despegar Application for .hoteis (Request, Annex 2), § 18(a).

[17] Request, ¶ 16.

[18] Request, ¶ 17. See also Despegar Application for .hoteis (Request, Annex 2), § 18(a).

String Similarity Panel ("**SSP**") selected and engaged by ICANN for this purpose. (Extracts of the relevant provisions of the Guidebook can be found below, at Part IV of this Declaration.) ICANN engaged InterConnect Communications Ltd. ("**ICC**"), a company registered under the law of England and Wales, specializing in communications sector strategy, policy and associated regulatory frameworks,[19] in cooperation with University College London, to act as the SSP.

23. On 26 February 2013 ICANN published the results of all of the string similarity reviews for all of the applications for new gTLDs submitted as part of the Program. The announcement revealed, among other things, that two "non-exact match" contention sets had been created: .hotels & .hoteis; and .unicorn & .unicom.[20] Booking.com's applied for string .hotels (as well as the .hoteis, .uncorn and .unicom strings) had thus failed the string similarity review.

24. The results of the string similarity review were notified to Booking.com by ICANN that same day. In its letter of 26 February 2013 ICANN wrote:

> *After careful consideration and extensive review performed against the criteria in Section 2.2.1.1 of the Applicant Guidebook, the String Similarity Panel has found that the applied-for string (.hotels) is visually similar to another applied-for string (.hoteis), creating a probability of user confusion.*
>
> *Due to this finding, the … two strings have been placed in a contention set.*[21]

25. The impact of being put into a contention set is that the proposed strings in the set will not be delegated in the root zone unless and until the applicants reach agreement on which single string should proceed (with the other proposed string therefore rejected), or until after an auction is conducted, with the highest bidder being given the right to proceed to the next step in the review process.

C. DIDP Request and Request for Reconsideration

26. On 28 March 2013 Booking.com submitted a request for information under ICANN's Documentary Information Disclosure Policy ("**DIDP Request**") asking for "all documents directly and indirectly relating to (1) the standard used to determine whether gTLD strings are confusingly similar, and (2) the specific determination that .hotels and .hoteis are confusingly similar."[22]

27. On the same date, Booking.com also filed a formal Request for Reconsideration ("**Request for Reconsideration**"). The "specific action(s)" that Booking.com asked to be reconsidered were: the decision to place .hotels and .hoteis in a contention set; and the decision not to

[19] See http://www.icc-uk.com/

[20] Request, Annex 3. ICANN published document dated 26 February 2013. As its name suggests, a "non-exact match" connotes a determination that two different (non-identical) strings are visually similar within the meaning of the Guidebook. Another752 applied-for gTLDs were put into 230 identical contention sets.

[21] Request, Annex 3, ICANN letter dated 26 February 2013.

[22] Request, ¶ 30 and Annex 3.

provide a "detailed analysis or a reasoned basis" for the decision to place .hotels in contention.[23]

28. ICANN responded to the DIDP Request on 27 April 2013. Although ICANN provided certain information regarding the review process, in its response to the DIDP Request, ICANN also noted:

> *The SSP is responsible for the development of its own process documentation and methodology for performing the string similarity review, and is also responsible for the maintenance of its own work papers. Many of the items that are sought from ICANN within the [DIDP] Request are therefore not in existence within ICANN and cannot be provided in response to the DIDP Request. ICANN will, however, shortly be posting the SSP's String Similarity Process and Workflow on the New gTLD microsite ...*[24]

29. By letter dated 9 May 2013 Booking.com replied to ICANN, writing that "ICANN's response fails to provide any additional information or address any of Booking.com's concerns as conveyed in its DIDP Request or Request for Reconsideration."[25] On 14 May 2013, ICANN answered that it "intends to post the string similarity process documentation on or before ... 17 May 2013."[26] ICANN further informed Booking.com that "ICANN will afford you 30 days from the posting of the process document for the submission of a revised Request for Reconsideration."[27]

30. On 7 June 2013, ICANN published the "String Similarity New gTLD Evaluation Panel [i.e., the SSP] – Process Description" ("**SSP Process Description**").[28]

31. On 26 June 2013 Booking.com wrote to ICANN regarding both its DIDP Request and its 28 March 2013 Request for Reconsideration. In its letter, Booking.com noted among other things that "the generalized information ICANN thus far has provided does not explain a rationale for or analysis for the decision to put .hotels and .hoteis in a contention set and therefore does not allow Booking.com to appropriately amend its Request for Reconsideration." The letter concluded by stating: "Considering ICANN's obligations of transparency and accountability, there cannot be any 'compelling reason for confidentiality'.

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[23] Request, Annex 12, §3. The Request for Reconsideration (which appears to be in the form of a template) expressly states at §2 that it is a "Request for Reconsideration of ... Staff [vs. Board] action/inaction." The cover letter attaching the Request states that, "[d]espite the fact that the origin of the decisions is unclear, this Reconsideration Request is being submitted as a reconsideration of a 'Staff action'. In the event that the decisions referenced above are determined to be a 'Board action', this request may be amended." As explained below, the Request for Reconsideration was amended on 7 July 2013. That amendment did not alter the stated nature of the request in §2 or the description of the specific actions that Booking.com sought to have reconsidered (§3). Unless otherwise indicated, all further references in this Declaration to the Request for Reconsideration are understood to be the *amended* Request for Reconsideration.

[24] Request, Annex 5.

[25] Request, Annex 6.

[26] Request, Annex 7.

[27] Request, Annex 7.

[28] Request, Annex 8.

And … there are numerous compelling reasons for publication of [the information requested by Booking.com]."[29]

32. ICANN responded on 25 July 2013, explaining among other things that "the evaluation of the .hotels string by the SSP panel was performed according to the [SSP Process Description] …" and "[t]he SSP's work was subjected to quality review, as has been publicly discussed."[30] Approximately six months later, on 9 January 2014, ICANN posted a letter dated 18 December 2013 addressed to ICANN by the SSP Manager at ICC (Mr. Mark McFadden) providing a further "summary of the process, quality control mechanisms and some considerations surrounding the non-exact contention sets for the string similarity evaluation …" (**"SSP Manager's Letter"**).[31] According to that Letter:

> *When ALL of the following features of a pairwise comparison [of non-exact match strings] are evident the evaluators found the string pair to be confusingly similar:*
>
> *• Strings of similar visual length on the page;*
>
> *• Strings within +/- 1 character of each other;*
>
> *• Strings where the majority of characters are the same and in the same position in each string; and*
>
> *• The two strings possess letter combinations that visually appear similar to other letters in the same position in each string*
>
> *o For example rn~m & l~i*

33. Meanwhile, on 7 July 2013 Booking.com had submitted its amended Request for Reconsideration. In its letter attaching the amended Request for Reconsideration, Booking.com stated: "Booking.com reserves the right to further amend its Request for Reconsideration upon receipt of the information it previously requested and urges ICANN to publish the requested information as specified in our letter of 26 June 2013."[32]

34. By virtue of Article IV, Section 3 of the Bylaws, ICANN's Board Governance Committee (**"BGC"**) is charged with evaluating and making recommendation to the Board with respect to requests for reconsideration. The Board's New gTLD Program Committee (**"NGPC"**) receives and acts on such recommendations on behalf of the ICANN Board. In accordance with this procedure, Booking.com's Request for Reconsideration was evaluated by the BGC. In a detailed analysis dated 1 August 2013, the BGC "conclude[d] that Booking.com has not

[29] Request, Annex 9.

[30] Request, Annex 10.

[31] Request, Annex 11.

[32] Request, Annex 13.

stated proper grounds for reconsideration and we therefor recommend that Booking.com's request be denied" ("**BGC Recommendation**").[33]

35. At a telephone meeting held on 10 September 2013 the NGPC, "bestowed with the powers of the Board", considered, discussed and accepted the BGC Recommendation. Booking.com's Request for Reconsideration was denied.[34]

D. The Cooperative Engagement Process

36. Booking.com thereafter filed a request for a Cooperative Engagement Process ("**CEP**") on 25 September 2013, with a view to attempting to reach an amicable resolution of its dispute with ICANN. In its CEP request, Booking.com wrote:

> *Booking.com is of the opinion that Resolution 2013.09.10.NG02 [the Board resolution denying its Request for Reconsideration] violates various provisions of ICANN's Bylaws and Articles of Incorporation. In particular Booking.com considers that ICANN's adoption of [the Resolution] is in violation of Articles I, II(3), II and IV of the ICANN Bylaws as well as Article 4 of ICANN's Articles of Incorporation. In addition, Booking.com considers that ICANN has acted in violation of Articles 3, 5, 7 and 9 of ICANN's Affirmation of Commitment ...*[35]

37. The CEP ultimately did not result in a resolution, and Booking.com duly commenced the present IRP.

38. One further point should be made, here, prior to describing the commencement and conduct of the present IRP proceedings: The determination by the SSP that .hotels and .hoteis are so visually similar as to give rise to the probability of user confusion, and the resulting placement of those applied-for strings into a contention set, does *not* mean that Booking.com's application for .hotels has been denied or that .hotels will not proceed to delegation to the root zone. Rather, as noted above and explained in the extracts from the Guidebook reproduced below, the Guidebook establishes a process for resolving such contention, under which the applicants for the contending strings in the set – here, Booking.com and Despegar – may resolve the contention by negotiation, failing which the matter will proceed to auction. Ultimately, no matter the outcome of these IRP proceedings, Booking.com may yet be successful and .hotels may yet be delegated into the Internet root zone. However, the fact that .hotels has been put into a contention set does raise the risk that .hotels may never be delegated into the root zone, or that it may be more costly for Booking.com to obtain approval of its proposed string. It also has caused a significant delay in the potential delegation of the string into the root zone (which could prove to be detrimental to the ultimate success of Booking.com's proposed string if other applicants

[33] Request, Annex 14, BGC Recommendation dated 1 August 2013, p.9. See also Request, Annex 15, NGPC Resolution dated 10 September 2013. As noted in footnote 1 to the BGC Recommendation, the Recommendation was ultimately finalized and submitted for posting on 21 August 2013.

[34] Request, Annex 15, NGPC Resolution dated 10 September 2013.

[35] Request, Annex 17.

whose strings were not put into a contention set are able to establish themselves as pioneer providers of hotel- and travel-related services under a different new gTLD).

E. The IRP Proceedings

39. On 19 March 2014, Booking.com submitted a Notice of Independent Review, dated 18 March 2014, as well as a Request for Independent Review Process ("**Request**") accompanied by numerous supporting documents and reference materials.

40. In accordance with Article IV, Section 3(9) of the ICANN Bylaws, Booking.com requested that a three-member IRP panel be constituted to consider and determine the Request. As the omnibus standing panel referred to in Article IV, Section 3(6) of the ICANN Bylaws had yet to be established, Booking.com further proposed, in accordance with Article 6 of the ICDR Rules, that each party appoint one panelist, with the third (the Chair of the panel) to be appointed by the two party-appointed panelists.

41. On 25 April 2014, ICANN submitted a Response to ICANN's Request with supporting documents ("**Response**").

42. The parties having thereafter agreed on the number of panelists and the method of their appointment, David H. Bernstein, Esq. was duly appointed as panelist by Booking.com on 1 May 2014, and the Hon. A Howard Matz was duly appointed as panelist by ICANN on 30 May 2014.

43. On 17 July 2014, the ICDR notified the parties that Mr. Stephen L. Drymer had been duly nominated by the two party-appointed panelists as Chair of the Panel. Mr. Drymer's appointment became effective and the Panel was duly constituted as of 1 August 2014.

44. On 21 August 2014, further to consultations among the panelists and between the Panel and the parties, the Panel convened a preparatory conference with the parties (by telephone) for the purpose of discussing organizational matters, including a timetable for any further written statements or oral argument. Both parties requested the opportunity to make supplemental submissions and to present oral argument.

45. On 22 August 2014 the Panel issued Procedural Order No. 1 in which, among other things, it established a Procedural Timetable for the IRP. As specifically requested by the parties, the Procedural Order and Timetable provided for the submission of additional written statements by the parties as well as for a brief oral hearing to take place by telephone, all on dates proposed by and agreed between the parties.[36]

46. In accordance with the Procedural Timetable, on 6 October 2014 Booking.com submitted its Reply to ICANN's Response, accompanied by additional documents ("**Reply**").

[36] Paragraph 6 of Procedural Order No. 1 provided that, in its forthcoming Reply to ICANN's Response, "Booking.com shall only address two issues raised in Respondent's Response: (1) the nature and scope of the IRP requested; (2) the nature of the relief sought by Claimant." Paragraph 7 of Procedural Order No. 1 provided that "Respondent's Sur-Reply … shall address only the issues raised in the Reply."

47. In accordance with the Procedural Timetable, ICANN submitted a Sur-Reply on 20 November 2014 ("**Sur-Reply**").

F. The Hearing

48. As provided by Procedural Order No. 1 and the Procedural Timetable, a hearing was held (by telephone) on 10 December 2011, commencing at 9:00 PST/18:00 CET.

49. In the light of the significance of the issues raised by the parties, and given the many questions prompted by those issues and by the parties' extensive written submissions and supporting materials, the Panel indicated that it would allow the hearing to continue beyond the approximately one hour originally envisaged. The hearing ultimately lasted two and one-half hours. Counsel for each party made extensive oral submissions, including rebuttal and sur-rebuttal submissions, and responded to the panelists' questions.

50. Prior to the close of the hearing each party declared that it had no objection concerning the conduct of the proceedings, that it had no further oral submissions that it wished to make, and that it considered that it had had a full opportunity to present its case and to be heard.

51. As agreed and ordered prior to the close of the hearing, the parties were provided the opportunity to file limited additional materials post-hearing, in relation to a certain question asked of them by the Panel. This was done, and, on 13 December 2014, the proceedings were declared closed.

IV. ICANN ARTICLES, BYLAWS AND POLICIES – KEY ELEMENTS

52. We set out here the key elements of ICANN's Articles of Association, Bylaws and policies on which the parties rely in their submissions and to which the Panel will refer later in this Declaration.

A. Articles of Association

> *4. The Corporation shall operate for the benefit of the Internet community as a whole, carrying out its activities in conformity with relevant principles of international law and applicable international conventions and local law and, to the extent appropriate and consistent with these Articles and its Bylaws, through open and transparent processes that enable competition and open entry in Internet-related markets. To this effect, the Corporation shall cooperate as appropriate with relevant international organizations.*
>
> *[Underlining added]*

B. Bylaws

> ***ARTICLE I: MISSION AND CORE VALUES***
>
> *Section 1. MISSION*
>
> *The mission of The Internet Corporation for Assigned Names and Numbers ("ICANN") is to coordinate, at the overall level, the global Internet's systems of unique identifiers,*

and in particular to ensure the stable and secure operation of the Internet's unique identifier systems.

[...]

Section 2. CORE VALUES

In performing its mission, the following core values should guide the decisions and actions of ICANN:

1. Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.

2. Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination.

3. To the extent feasible and appropriate, delegating coordination functions to or recognizing the policy role of other responsible entities that reflect the interests of affected parties.

4. Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.

5. Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.

6. Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.

7. Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.

8. Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.

9. Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.

10. Remaining accountable to the Internet community through mechanisms that enhance ICANN's effectiveness.

11. While remaining rooted in the private sector, recognizing that governments and public authorities are responsible for public policy and duly taking into account governments' or public authorities' recommendations.

These core values are deliberately expressed in very general terms, so that they may provide useful and relevant guidance in the broadest possible range of circumstances. Because they are not narrowly prescriptive, the specific way in which they apply, individually and collectively, to each new situation will necessarily depend on many factors that cannot be fully anticipated or enumerated; and because they are statements of principle rather than practice, situations will inevitably arise in which perfect fidelity to all eleven core values simultaneously is not possible. Any ICANN

body making a recommendation or decision shall exercise its judgment to determine which core values are most relevant and how they apply to the specific circumstances of the case at hand, and to determine, if necessary, an appropriate and defensible balance among competing values.

[...]

ARTICLE III: TRANSPARENCY

Section 1. PURPOSE

ICANN and its constituent bodies shall operate to the maximum extent feasible in an open and transparent manner and consistent with procedures designed to ensure fairness.

[...]

ARTICLE IV: ACCOUNTABILITY AND REVIEW

Section 1. PURPOSE

In carrying out its mission as set out in these Bylaws, ICANN should be accountable to the community for operating in a manner that is consistent with these Bylaws, and with due regard for the core values set forth in Article I of these Bylaws. The provisions of this Article, creating processes for reconsideration and independent review of ICANN actions and periodic review of ICANN's structure and procedures, are intended to reinforce the various accountability mechanisms otherwise set forth in these Bylaws, including the transparency provisions of Article III and the Board and other selection mechanisms set forth throughout these Bylaws.

Section 2. RECONSIDERATION

1. ICANN shall have in place a process by which any person or entity materially affected by an action of ICANN may request review or reconsideration of that action by the Board.

2. Any person or entity may submit a request for reconsideration or review of an ICANN action or inaction ("Reconsideration Request") to the extent that he, she, or it have been adversely affected by:

a. one or more staff actions or inactions that contradict established ICANN policy(ies); or

b. one or more actions or inactions of the ICANN Board that have been taken or refused to be taken without consideration of material information, except where the party submitting the request could have submitted, but did not submit, the information for the Board's consideration at the time of action or refusal to act; or

c. one or more actions or inactions of the ICANN Board that are taken as a result of the Board's reliance on false or inaccurate material information.

3. The Board has designated the Board Governance Committee to review and consider any such Reconsideration Requests. The Board Governance Committee shall have the authority to:

a. evaluate requests for review or reconsideration;

b. summarily dismiss insufficient requests;

c. evaluate requests for urgent consideration;

d. conduct whatever factual investigation is deemed appropriate;

e. request additional written submissions from the affected party, or from other parties;

f. make a final determination on Reconsideration Requests regarding staff action or inaction, without reference to the Board of Directors; and

g. make a recommendation to the Board of Directors on the merits of the request, as necessary.

[...]

Section 3. INDEPENDENT REVIEW OF BOARD ACTIONS

1. In addition to the reconsideration process described in Section 2 of this Article, ICANN shall have in place a separate process for independent third-party review of Board actions alleged by an affected party to be inconsistent with the Articles of Incorporation or Bylaws.

2. Any person materially affected by a decision or action by the Board that he or she asserts is inconsistent with the Articles of Incorporation or Bylaws may submit a request for independent review of that decision or action. In order to be materially affected, the person must suffer injury or harm that is directly and causally connected to the Board's alleged violation of the Bylaws or the Articles of Incorporation, and not as a result of third parties acting in line with the Board's action.

3. A request for independent review must be filed within thirty days of the posting of the minutes of the Board meeting (and the accompanying Board Briefing Materials, if available) that the requesting party contends demonstrates that ICANN violated its Bylaws or Articles of Incorporation. Consolidated requests may be appropriate when the causal connection between the circumstances of the requests and the harm is the same for each of the requesting parties.

4. Requests for such independent review shall be referred to an Independent Review Process Panel ("IRP Panel"), which shall be charged with comparing contested actions of the Board to the Articles of Incorporation and Bylaws, and with declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws. The IRP Panel must apply a defined standard of review to the IRP request, focusing on:

a. did the Board act without conflict of interest in taking its decision?;

b. did the Board exercise due diligence and care in having a reasonable amount of facts in front of them?; and

c. did the Board members exercise independent judgment in taking the decision, believed to be in the best interests of the company [ICANN]?

[...]

11. The IRP Panel shall have the authority to:

a. summarily dismiss requests brought without standing, lacking in substance, or that are frivolous or vexatious;

b. request additional written submissions from the party seeking review, the Board, the Supporting Organizations, or from other parties;

c. declare whether an action or inaction of the Board was inconsistent with the Articles of Incorporation or Bylaws; and

d. recommend that the Board stay any action or decision, or that the Board take any interim action, until such time as the Board reviews and acts upon the opinion of the IRP;

e. consolidate requests for independent review if the facts and circumstances are sufficiently similar; and

f. determine the timing for each proceeding.

[...]

14. Prior to initiating a request for independent review, the complainant is urged to enter into a period of cooperative engagement with ICANN for the purpose of resolving or narrowing the issues that are contemplated to be brought to the IRP. [...]

15. Upon the filing of a request for an independent review, the parties are urged to participate in a conciliation period for the purpose of narrowing the issues that are stated within the request for independent review. A conciliator will be appointed from the members of the omnibus standing panel by the Chair of that panel. [...]

16. Cooperative engagement and conciliation are both voluntary. However, if the party requesting the independent review does not participate in good faith in the cooperative engagement and the conciliation processes, if applicable, and ICANN is the prevailing party in the request for independent review, the IRP Panel must award to ICANN all reasonable fees and costs incurred by ICANN in the proceeding, including legal fees.

[...]

18. The IRP Panel should strive to issue its written declaration no later than six months after the filing of the request for independent review. The IRP Panel shall make its declaration based solely on the documentation, supporting materials, and arguments submitted by the parties, and in its declaration shall specifically designate the prevailing party. The party not prevailing shall ordinarily be responsible for bearing all costs of the IRP Provider, but in an extraordinary case the IRP Panel may in its declaration allocate up to half of the costs of the IRP Provider to the prevailing party based upon the circumstances, including a consideration of the reasonableness of the parties' positions and their contribution to the public interest. Each party to the IRP proceedings shall bear its own expenses.

[Underlining added]

53. Lest there be any misunderstanding as regards the proper subject matter of IRP proceedings or the role of the Panel, we note that, as was clearly established during the hearing, it is common ground between the parties that the term "action" (or "actions") as used in Article IV, Section 3 of the Bylaws is to be understood as action(s) *or inaction(s)* by the ICANN Board. The Panel observes that this understanding comports not only with the provisions of Article

IV, Section 2 of the Bylaws concerning "Reconsideration", which expressly refer to "actions or inactions of the ICANN Board", but with the clear intent of Section 3 itself, which stipulates at sub-section 11 that "[t]he IRP Panel shall have the authority to: … (c) declare whether an action or inaction of the Board was inconsistent with the Articles of Incorporation or Bylaws."

C. The gTLD Applicant Guidebook

54. As noted above and as understood by all, the Guidebook is (to borrow Booking.com's phrase) "the crystallization of Board-approved consensus policy concerning the introduction of new gTLDs."[37]

55. The Guidebook is divided into "Modules", each of which contains various sections and sub-sections. The three Modules of primary relevance here are Modules 1, 2 and 4. Module 1, titled "Introduction to the gTLD Application Process," provides an "overview of the process for applying for a new generic top-level domains."[38] Module 2, titled "Evaluation Procedures," describes the "evaluation procedures and criteria used to determine whether applied-for gTLDs are approved for delegation."[39] Module 4, titled "String Contention Procedures," concerns "situations in which contention over applied-for gTLD strings occurs, and the methods available to applicants for resolving such contention cases."

(i) Initial Evaluation

56. As explained in Module 1, "[i]mmediately following the close of the application submission period, ICANN will begin checking all applications for completeness."[40] Initial Evaluation begins "immediately after the administrative completeness check concludes. All complete applications will be reviewed during Initial Evaluation."[41]

57. Initial Evaluation is comprised of two main elements or types or review: *string review*, which concerns the applied-for gTLD string; and *applicant review*, which concerns the entity applying for the gTLD and its proposed registry services. It is the first of these – string review, including more specifically the component known as *string similarity review* – that is particularly relevant.

(ii) String Review, including String Similarity Review

58. String review is itself comprised of several components, each of which constitutes a separate assessment or review of the applied-for gTLD string, conducted by a separate reviewing body or panel. As explained in Module 2:

> *The following assessments are performed in the Initial Evaluation:*

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[37] Request, ¶ 13.

[38] Module 1-2. Each Module of the Guidebook is paginated separately. "Module 1-2" refers to Guidebook Module 1, page 2.

[39] Module 2-2.

[40] Guidebook, §1.1.2.2: "Administrative Completeness Check", Module 1-5.

[41] Guidebook, §1.1.2.5: "Initial Evaluation", Module 1-8 (underlining added).

- *String Reviews*
  - *String similarity*
  - *Reserved names*
  - *DNS stability*
  - *Geographic names*

[...]

An application must pass all these reviews to pass the Initial Evaluation. Failure to pass any one of these reviews will result in a failure to pass the Initial Evaluation.[42]

59. As indicated, all complete applications are subject to Initial Evaluation, which means that all applied-for gTLD strings are subject to string review. String review is further described in Module 2 as follows:

[String review] focuses on the applied-for gTLD string to test:

- *Whether the applied-for gTLD string is so similar to other strings that it would create a probability of user confusion;*
- *Whether the applied-for gTLD string might adversely affect DNS security or stability; and*
- *Whether evidence of requisite government approval is provided in the case of certain geographic names.*[43]

60. The various assessments or reviews (i.e., string similarity, reserved names, DNS stability, etc.) that comprise string review are elaborated at Section 2.2.1 of Module 2. As mentioned, the most relevant of these reviews for our purposes is *string similarity review*, which is described in detail at Section 2.2.1.1. Because of the central importance of the string similarity review process in the context of the present dispute, this section of the Guidebook is reproduced here at some length:

2.2.1.1 String Similarity Review

This review involves a preliminary comparison of each applied-for gTLD string against existing TLDs, Reserved Names (see subsection 2.2.1.2), and other applied-for strings. The objective of this review is to prevent user confusion and loss of confidence in the DNS resulting from delegation of many similar strings.

Note: In this Applicant Guidebook, "similar" means strings so similar that they create a probability of user confusion if more than one of the strings is delegated into the root zone.

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[42] Module 2-2. The same is true of applicant review, which is also comprised of various assessments concerning the applicant entity.

[43] Guidebook, §2.2: "Initial Evaluation", Module 2-4 (underlining added). See also Module 1-9: "String reviews include a determination that the applied-for gTLD string is not likely to cause security or stability problems in the DNS ..."

The visual similarity check that occurs during Initial Evaluation is intended to augment the objection and dispute resolution process (see Module 3, Dispute Resolution Procedures) that addresses all types of similarity.

This similarity review will be conducted by an independent String Similarity Panel.

2.2.1.1.1 Reviews Performed

The String Similarity Panel's task is to identify visual string similarities that would create a probability of user confusion.

The panel performs this task of assessing similarities that would lead to user confusion in four sets of circumstances, when comparing:

[...]

- *Applied-for gTLD strings against other applied-for gTLD strings;*

[...]

***Similarity to Other Applied-for gTLD Strings (String Contention Sets)** – All applied-for gTLD strings will be reviewed against one another to identify any similar strings. In performing this review, the String Similarity Panel will create contention sets that may be used in later stages of evaluation.*

A contention set contains at least two applied-for strings identical or similar to one another. Refer to Module 4, String Contention Procedures, for more information on contention sets and contention resolution.

[...]

2.2.1.1.2 Review Methodology

The String Similarity Panel is informed in part by an algorithmic score for the visual similarity between each applied-for string and each of other existing and applied- for TLDs and reserved names. The score will provide one objective measure for consideration by the panel, as part of the process of identifying strings likely to result in user confusion. In general, applicants should expect that a higher visual similarity score suggests a higher probability that the application will not pass the String Similarity review. However, it should be noted that the score is only indicative and that the final determination of similarity is entirely up to the Panel's judgment.

The algorithm, user guidelines, and additional background information are available to applicants for testing and informational purposes. [footnote in the original: See http://icann.sword-group.com/algorithm/] Applicants will have the ability to test their strings and obtain algorithmic results through the application system prior to submission of an application.

[...]

The panel will examine all the algorithm data and perform its own review of similarities between strings and whether they rise to the level of string confusion. In cases of strings in scripts not yet supported by the algorithm, the panel's assessment process is entirely manual.

> *The panel will use a common standard to test for whether string confusion exists, as follows:*
>
> ***Standard for String Confusion –*** *String confusion exists where a string so nearly resembles another visually that it is likely to deceive or cause confusion. For the likelihood of confusion to exist, it must be probable, not merely possible that confusion will arise in the mind of the average, reasonable Internet user. Mere association, in the sense that the string brings another string to mind, is insufficient to find a likelihood of confusion.*
>
> ***2.2.1.1.3 Outcomes of the String Similarity Review***
>
> *An application that fails the String Similarity review due to similarity to an existing TLD will not pass the Initial Evaluation, and no further reviews will be available. Where an application does not pass the String Similarity review, the applicant will be notified as soon as the review is completed.*
>
> *An application for a string that is found too similar to another applied-for gTLD string will be placed in a contention set.*[44]
>
> *[Underlining added]*

61. Module 4 of the Guidebook, as mentioned, concerns "situations in which contention over applied-for gTLD strings occurs, and the methods available to applicants for resolving such contention cases." As explained in Module 4:

> ***4.1 String Contention***
>
> *String contention occurs when either:*
>
> *1. Two or more applicants for an identical gTLD string successfully complete all previous stages of the evaluation and dispute resolution processes; or*
>
> *2. Two or more applicants for similar gTLD strings successfully complete all previous stages of the evaluation and dispute resolution processes, and the similarity of the strings is identified as creating a probability of user confusion if more than one of the strings is delegated.*
>
> *ICANN will not approve applications for proposed gTLD strings that are identical or that would result in user confusion, called contending strings. If either situation above occurs, such applications will proceed to contention resolution through either community priority evaluation, in certain cases, or through an auction. Both processes are described in this module. A group of applications for contending strings is referred to as a contention set.*

[44] Module 2-5 to 2-9. As regards the concept of string contention, see also Guidebook, §1.1.2.10: "String Contention", Module 1-13: "String contention applies only when there is more than one qualified application for the same or similar gTLD strings. String contention refers to the scenario in which there is more than one qualified application for the identical gTLD string or for similar gTLD strings. In this Applicant Guidebook, "similar" means strings so similar that they create a probability of user confusion if more than one of the strings is delegated into the root zone."

(In this Applicant Guidebook, "similar" means strings so similar that they create a probability of user confusion if more than one of the strings is delegated into the root zone.)

4.1.1 Identification of Contention Sets

Contention sets are groups of applications containing identical or similar applied-for gTLD strings. Contention sets are identified during Initial Evaluation, following review of all applied-for gTLD strings. ICANN will publish preliminary contention sets once the String Similarity review is completed, and will update the contention sets as necessary during the evaluation and dispute resolution stages.

Applications for identical gTLD strings will be automatically assigned to a contention set.

[...]

The String Similarity Panel will also review the entire pool of applied-for strings to determine whether the strings proposed in any two or more applications are so similar that they would create a probability of user confusion if allowed to coexist in the DNS. The panel will make such a determination for each pair of applied-for gTLD strings. The outcome of the String Similarity review described in Module 2 is the identification of contention sets ...

[...]

As described elsewhere in this guidebook, cases of contention might be resolved by community priority evaluation [NB: community priority evaluation applies only to so-called "community" applications; it is not relevant *here] or an agreement among the parties. Absent that, the last-resort contention resolution mechanism will be an auction.*

[...]

62. As provided in Module 4, the two methods relevant to resolving a contention such as between .hotels and .hoteis are *self-resolution* (i.e., an agreement between the two applicants for the contending strings) and *auction*:

4.1.3 Self-Resolution of String Contention

Applicants that are identified as being in contention are encouraged to reach a settlement or agreement among themselves that resolves the contention. This may occur at any stage of the process, once ICANN publicly posts the applications received and the preliminary contention sets on its website.

Applicants may resolve string contention in a manner whereby one or more applicants withdraw their applications.

[...]

4.3 Auction: Mechanism of Last Resort

It is expected that most cases of contention will be resolved by the community priority evaluation, or through voluntary agreement among the involved applicants. Auction is a tie-breaker method for resolving string contention among the applications within a contention set, if the contention has not been resolved by other means.

63. Module 5 of the Guidebook, titled *Transition to Delegation*, describes "the final steps required of an applicant for completion of the process, including execution of a registry agreement with ICANN and preparing for delegation of the new gTLD into the root zone."[45] Section 5.1 states:

> *ICANN's Board of Directors has ultimate responsibility for the New gTLD Program. The Board reserves the right to individually consider an application for a new gTLD to determine whether approval would be in the best interest of the Internet community. Under exceptional circumstances, the Board may individually consider a gTLD application. For example, the Board might individually consider an application as a result of GAC Advice on New gTLDs or of the use of an ICANN accountability mechanism.*[46]
>
> *[Underlining added]*

V. SUMMARY OF THE PARTIES' POSITIONS

64. The following brief summary of the parties' respective positions is provided with a view solely to assisting the reader to understand the present Declaration. It is *not* intended to recapitulate – and it does not recapitulate – the entirety of the parties' allegations and arguments. Additional references to the parties' positions, including submissions made by them in the course of the proceedings, are contained in the discussion at Part VI below.

A. Booking.com's position

(i) The Panel's Authority

65. Booking.com submits that the mandate of the Panel is "to determine whether the contested actions of the ICANN Board are consistent with applicable rules".[47] According to Booking.com:

> *The set of rules against which the actions of the ICANN Board must be assessed includes: (i) ICANN's Articles of Incorporation and Bylaws – both of which must be interpreted in light of ICANN's Affirmation of Commitments, and both of which require compliance with inter alia International law and generally accepted good governance principles – and (ii) secondary rules created by ICANN, such as the Applicant Guidebook. In setting up, implementing and supervising its policies and processes, the Board must comply with the fundamental principles embodied in these rules. That obligation includes a duty to ensure compliance with its obligations to act in good faith, transparently, fairly, and in a manner that is non-discriminatory and ensures due process.*[48]

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[45] Module 5-2.

[46] Module 5-4.

[47] Reply, ¶ 3.

[48] Reply, ¶ 3.

66. Booking.com submits that IRP panels have broad authority to evaluate actions of the ICANN Board. An overly restrictive interpretation of the standard of review, such as proposed by ICANN in these proceedings, would, says Booking.com, "fail to ensure accountability on the part of ICANN and would be incompatible with ICANN's commitment to maintain (and improve) robust mechanisms for accountability, as required by Article 9.1 of ICANN's Affirmation of Commitments and ICANN's core values.[49]

(ii) Booking.com's Claims

67. The purpose of the IRP initiated by Booking.com is, in its own words, "to challenge the ICANN Board's handling of Booking.com's application for the new gTLD .hotels."[50] This includes the determination of the SSP to place .hotels and .hoteis in contention and the refusal of the Board (and its committees) to revise that determination. Elsewhere in its submissions, Booking.com makes an even broader claim; it asserts that it challenges the conduct of the ICANN Board in relation to what Booking.com refers to as the *setting up*, *implementation, supervision* and *review* of the entire of string similarity review process, and the Board's alleged failure "to ensure due process and to respect its fundamental obligations to ensure good faith, transparency, fairness and non-discrimination" throughout.[51]

68. In effect, Booking.com's specific claims can be divided into two broad categories: claims related to the string similarity review process generally; and claims related to the particular case of .hotels.

69. Booking.com professes that this case "is not about challenging a decision on the merits [i.e., the decision to place .hotels in contention]"; it is about "ICANN's failure to respect fundamental [procedural] rights and principles in handling New gTLD applications, in particular in the context of String Similarity Review."[52]

70. Booking.com also repeatedly emphasizes – and this is crucial – that *it does not challenge the validity or fairness of the process as set out in the Guidebook.* Rather, as indicated, it contests "the way in which that process was established, implemented and supervised by (or under the authority of) the ICANN Board."[53] Equally crucial, as will be seen, is Booking.com's acknowledgment that *the established process was followed* in the case of the review of .hotels.

a. The string similarity review process

71. According to Booking.com, the problem began when the ICANN Board failed to "provide transparency in the SSP selection process," in particular by failing "to make clear how

[49] Reply, ¶ 6.

[50] Reply, ¶ 7.

[51] Reply, ¶ 15.

[52] Reply, ¶ 14.

[53] Reply, ¶ 17.

[ICANN] would evaluate candidate responses or how it ultimately did so."[54] The problem was compounded by the selection of ICC/University College London to perform string similarity reviews as the independent SSP. In Booking.com's words:

> *[T]he identities of the unsuccessful candidates (if any) to perform the String Similarity Review remain unknown. Applicants have never been given any information in relation to the candidate responses that were submitted. … There is no indication that any other candidate expressed an interest in performing the String Similarity Review. No information has been provided as to the steps (if any) taken by ICANN to reach out to other potential candidates. Numerous questions remain: How did ICANN deal with the situation if there was only one (or only a very few) respondent(s) wishing to perform the String Similarity Review? How did this impact on the discussions with InterConnect Communications? What are the terms of ICANN's contract with InterConnect Communications?*[55]

72. Booking.com also faults ICANN for "allowing the appointed SSP to develop and perform an unfair and arbitrary review process", specifically, by allowing the SSP "to perform the String Similarity Review (i) without any (documented) plan or methodology … (ii) without providing any transparency regarding the evaluators or the evaluation criteria ... and (iii) without informing applicants of its reasoning …".[56]

73. Among other things, Booking.com takes ICANN to task for establishing and posting the SSP Process Description and the SSP Manager's Letter (see Part III.C above) only long after the string similarity review process had ended.[57]

74. It also alleges that the factors identified in the SSP Manager's Letter are "arbitrary and baseless … not supported by any methodology capable of producing compelling and defensible conclusions … [which] has allowed applications with at least equally serious visual string similarity concerns – such as .parts/.paris, .maif/.mail, .srt/.srl, .vote/.voto and .date/.data … – to proceed while singling out .hotels/.hoteis."[58] According to Booking.com: "The failure to take actual human performance into account is at odds with the standard for assessment, *i.e.*, the likelihood of confusion on the part of the average Internet user. Hence, the approach is directly contrary to ICANN's own policy."[59]

75. Booking.com further contends that the SSP process is unfair and non-transparent due to the fact that the identity of SSP members has never been publicly disclosed.[60]

76. Further, Booking.com argues that the process is unfair, non-transparent and arbitrary – and thus violates ICANN policy – for failing to provide for a "well-documented rationale" for each

[54] Reply, ¶ 20.

[55] Reply, ¶ 20.

[56] Reply, ¶ 23.

[57] Reply, ¶ 24.

[58] Reply, ¶ 25.

[59] Reply, ¶ 25.

[60] Reply, ¶ 26-27.

SSP determination. In the absence of reasons for each string similarity determination, says Booking.com, "there is no basis on which decisions can be evaluated and, where appropriate, challenged."[61]

77. Another ground for Booking.com's challenge is the alleged failure by the ICANN Board to providing "effective supervision or quality control" of the SSP: "If nobody but the evaluator has any insight into how the evaluation was carried out, no effective quality control can be performed."[62] Nor, according to Booking.com, does the quality review of the SSP's work supposedly performed by JAS Advisers (the independent consultant engaged by ICANN for this purpose) overcome the problem of a lack of transparency:

> *Booking.com is not aware that any selection process was put in place in relation to the appointment of JAS Advisors to perform the String Similarity Review quality control. No criteria for performing the quality control were published. When ICANN was looking for evaluators, no call for expressions of interest or similar document was issued for the selection of quality controllers.*[63]

78. In any case, says Booking.com, the "quality control review over a random sampling of applications to, among other things, test whether the process [set out in the Guidebook] was followed," which ICANN claims was performed on the SSP's work,[64] could not provide adequate quality control of the string similarity review process.[65] Finally, Booking.com argues that the arbitrary and unfair result of the string similarity review concerning .hotels – *i.e.,* the decision to place .hotels and .hoteis in contention – demonstrates that, "whatever quality control review ICANN may have engaged in …must therefore have been deficient."[66]

b. The case of .hotels

79. Booking.com argues, in part on the basis of expert evidence which it adduces in this IRP proceeding,[67] that "[t]here is no probability of user confusion if both .hotels and .hoteis were delegated as gTLD strings into the Internet root zone … The SSP could not have reasonably found that the average reasonable Internet user is likely to be confused between the two strings."[68] It continues:

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[61] Reply, ¶ 28-29.

[62] Reply, ¶ 30.

[63] Reply, ¶ 31. Booking.com states that it "doubts" that any quality review was in fact performed, whether by JAS Advisers or any other entity.

[64] Response, ¶ 30.

[65] Reply, ¶ 34.

[66] Reply, ¶ 38.

[67] Request, Annex 20, Expert Report of Prof. Dr. Piet Desmet of the Faculty of Arts, Department of Linguistics of Leuven University, dated 10 March 2014. Portions of the work underlying Prof. Desmet's report were performed by Dr. Emmanuel Keuleers, Research Fellow in the Department of Experimental Psychology at Ghent University.

[68] Request, ¶ 58.

> *Since .hotels and .hoteis are not confusingly similar, the determination that they are is contradictory to ICANN policy as established in the Applicant Guidebook. Acceptance of the determination, and repeated failure to remedy the wrongful determination, is a failure to act with due diligence and independent judgment, and a failure to neutrally and fairly apply established policies as required by Bylaws and Articles of Incorporation.*[69]

80. According to Booking.com, the Board should have acted to overturn the determination of the SSP either in the context of the Request for Reconsideration or under the authority accorded it by Module 5-4 of the Guidebook to "individually consider a gTLD application".[70]

81. Booking.com claims that its DIDP Request alerted the Board to the need to intervene to "correct the errors in the process" related to .hotels, and that its Request for Reconsideration of the SSP determination further informed the Board of the many errors in the SSP's review of .hotels, "giving the Board ample opportunity to correct those errors."[71] Booking.com claims that the Board's failure, when responding to the DIDP Request, "to offer any insight into the SSP's reasoning", its refusal to reconsider and overturn the SSP determination regarding .hotels on the sole ground (says Booking.com) that "the Reconsideration process 'is not available as a mechanism to re-try the decisions of evaluation panels'", and its failure to investigate Booking.com's complaints of a lack of fairness and transparency in the SSP process, constitute violations of ICANN's governing rules regarding string similarity review.[72]

82. According to Booking.com, among the most compelling evidence of ICANN's failure in this regard are the statements made on the record by several members of the NGPC during its 10 September 2013 meeting at which Booking.com's Request for Reconsideration was denied.[73] Given the importance that the Panel attaches to these statements, they are addressed in some detail in the Analysis in Part VI, below.

83. In its written submissions Booking.com asks the Panel to grant the following relief:

> *Finding that ICANN breached its Articles of Incorporation, its Bylaws, and the gTLD Applicant Guidebook;*
>
> *Requiring that ICANN reject the determination that .hotels and .hoteis are confusingly similar and disregard the resulting contention set;*
>
> *Awarding Booking.com its costs in this proceeding; and*

---

[69] Request, ¶ 59.

[70] Reply, ¶ 39.

[71] Reply, ¶ 41.

[72] Reply, ¶ 41. In the passage of Booking.com's submissions referred to here (as elsewhere), Booking.com speaks of violations of ICANN's obligations of "due process", which, it says, comprise concepts such as the right to be heard, the right to receive reasons for decisions, publicity, etc. For reasons explained in Part VI, below, the Panel prefers to use the terms *fairness* and *transparency* to connote the essence of ICANN's obligations under review in this IRP.

[73] See Part II.C, above.

> *Awarding such other relief as the Panel may find appropriate or Booking.com may request.*

84. At the hearing Booking.com *further* requested that the Panel not only require ICANN to disregard the SSP determination regarding .hotels/.hoteis, but also order ICANN to "delegate both .hotels and .hoteis."

B. ICANN's position

85. ICANN's position is best summed up by ICANN itself:

> *Booking.com's IRP Request is really about Booking.com's disagreement with the merits of the String Similarity Panel's conclusion that .hotels and .hoteis are confusingly similar. But the Panel's determination does not constitute Board action, and the Independent Review Process is not available as a mechanism to re-try the decisions of an independent evaluation panel. The IRP Panel is tasked only with comparing contested actions of the ICANN Board to ICANN's Bylaws and Articles of Incorporation; it is not within the IRP Panel's mandate to evaluate whether the String Similarity Panel's conclusion that .hotels and .hoteis are confusingly similar was wrong.*[74]

86. According to ICANN, the Board "did exactly what it was supposed to do under its Bylaws, its Articles of Incorporation, and the Guidebook."[75]

(i) The Panel's Authority

87. Throughout its submissions ICANN repeatedly stresses what it says is the very limited authority enjoyed by IRP panels.

88. As provided in Article IV, Section 3(4) of ICANN's Bylaws, ICANN observes that this Panel (as all IRP panels) is charged only with "comparing contested actions of the Board to the Articles of Incorporation and Bylaws, and with declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws."[76]

89. ICANN notes that, in undertaking this *compare-and-declare* mission, the Panel is further constrained to apply the very specific "standard of review" set out in Bylaw Article IV, Section 3(4), which requires the Panel to focus on three particular questions: "did the Board act without conflict of interest in taking its decision?"; "did the Board exercise due diligence and care in having a reasonable amount of facts in front of them?"; and "did the Board members exercise independent judgment in taking the decision, believed to be in the best interests of the company [ICANN]?"[77]

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[74] Response, ¶ 9.

[75] Response, ¶ 8. Both parties agree that, as submitted by Booking.com, the "rules" at issue, against which the conduct of the ICANN Board is to be assessed, include the relevant provisions of the Guidebook.

[76] See for example Response, ¶2, ¶ 9.

[77] Response, ¶ 2.

90. ICANN further asserts that the IRP process "is not available as a mechanism to challenge the actions or inactions of ICANN staff or third parties that may be involved in ICANN activities,"[78] such as the action of the SSP which resulted in .hotels and .hoteis being placed in contention. Nor, says ICANN, may the IRP process be used as an "appeal mechanism" by which to overturn substantive decisions – such as the determination that .hotels and .hoteis are confusingly visually similar – with which an applicant may disagree.[79]

91. In this regard ICANN states that the affirmative relief sought by Booking.com – specifically, a declaration requiring that ICANN "reject the determination that .hotels and .hoteis are confusingly similar and disregard the resulting contention set" and (as requested at the hearing) that ICANN "delegate both .hotels and .hoteis" – exceeds the authority of the Panel.[80]

(ii) ICANN's Response to Booking.com's Claims

a. The string similarity review process

92. According to ICANN, "[e]arly on in the iterations of the Guidebook, it was determined that, in the initial evaluation stage, the String Similarity Panel would only examine strings for visual confusion;" and "[i]f applied-for strings are determined to so nearly resemble each other visually that it is likely to deceive or cause confusion, the string will be placed in a contention set, which is then resolved pursuant to the contention set resolution processes in Module 4 of the Guidebook."[81]

93. According to ICANN, it was also determined early on that, as stated in Section 2.2.1.1 of the Guidebook, "[t]his similarity review will be conducted by an independent String Similarity Panel," not by ICANN itself. ICC was duly selected to perform the string similarity review further to "an open and public request for proposals," pursuant to which, as the successful bidder, "ICC was responsible for the development of its own process documents and methodology for performing the String Similarity Review consistent with the provisions of the Guidebook."[82] ICANN emphasizes that "the Guidebook does not provide for any process by which ICANN (or anyone else) may conduct a substantive review of ICC's results."[83]

94. In ICANN's submission, the alternative proposed by Booking.com, that "the ICANN Board – and the ICANN Board alone – was obligated to perform the String Similarity Review for the more than 1,900 new gTLD applications submitted," is "untenable and is not supported by ICANN's Bylaws or Articles."[84] As noted by ICANN, the Guidebook defines six distinct

[78] Response, ¶ 3.

[79] Response, ¶ 49.

[80] Response, ¶ 55.

[81] Response, ¶ 15 (underlining in original).

[82] Response, ¶ 16.

[83] Response, ¶ 17.

[84] Sur-Reply, ¶ 7.

review processes that every gTLD application is required to go through, including string similarity review; each of those review processes was conducted by independent experts specifically engaged by ICANN staff for the purpose.

95. ICANN submits that "there simply is no requirement – under ICANN's governing documents or imposed by law – that would mandate that the ICANN Board inject itself into the day-to-day affairs of the evaluation process in the manner Booking.com proposes."[85] It asserts that, consistent with well-settled legal principles, "neither ICANN's Bylaws, nor the Articles, nor the Guidebook requires the ICANN Board to conduct any analysis of the decisions of third party experts retained to evaluate string similarity."[86]

96. Moreover, ICANN asserts that "[s]imply because the ICANN Board has the discretion [under Section 5.1 (Module 5-4) of the Guidebook] to consider individual applications does not mean it is required to do so or that it should do so, particularly at an initial evaluation stage."[87]

97. ICANN claims that that Booking.com's repeated invocation of the Board's so-called obligation to ensure "due process" in the administration of the New gTLD Program is misplaced. First, neither applicable California law nor any provision of the Bylaws, Articles of Incorporation or Guidebook "specifically affords any gTLD applicant a right to procedural 'due process' similar to that which is afforded in courts of law."[88] Second, because ICANN conducts its activities in the public interest it nevertheless provides "more opportunity for parties to be heard and to dispute actions taken"[89] than most private corporate entities. Third, the "decision to proceed with the New gTLD Program followed many years of discussion, debate and deliberation within the ICANN community, including participation from end users, civil society, technical experts, business groups, governments and others."[90] Fourth, and perhaps most importantly, "ICANN adhered to the policies and procedures articulated in its Bylaws, Articles of Incorporation, and the Guidebook, the latter of which was adopted only after being publicly vetted with ICANN's stakeholders and the broader Internet community."[91]

98. ICANN's response to Booking.com's various allegations regarding particular elements of the string similarity review process – including for example the selection of the SSP, the publication of the SSP's methodology, the anonymity of the individuals SSP members, the supposed lack of quality control – is essentially three-fold: first, the actions challenged by Booking.com are *not Board actions*, but actions of ICANN staff or third parties, which cannot

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[85] Sur-Reply, ¶ 10.

[86] Sur-Reply, ¶ 10.

[87] Sur-Reply, ¶ 11. It was established during the hearing that the several references to this discretionary authority in ICANN's written and oral submissions refer specifically to the authority conferred by Section 5.1 (Module 5-4) of the Guidebook.

[88] Sur-Reply, ¶ 18.

[89] Sur-Reply, ¶ 18.

[90] Sur-Reply, ¶ 18, fn 18.

[91] Sur-Reply, ¶ 18, fn 18.

be challenged by means of IRP proceedings; second, in any case, Booking.com's claims are *factually incorrect*, and there has been no violation of the Bylaws, Articles of Incorporation or Guidebook; third, Booking.com's claims are *time-barred* given that Article IV, Section 3(3) of the Bylaws requires that IRP requests "must be filed within thirty days of the posting of the minutes of the Board meeting ... that the requesting party contends demonstrates that ICANN violated its Bylaws or Articles of Incorporation."[92]

b. The case of .hotels

99. ICANN's position as regards the determination to place .hotels and .hoteis in contention is similar in many respects to its position regarding the string similarity review process generally. ICANN argues that the Board played no role whatsoever in performing the review of .hotels; that the SSP's determination was in any event well supported and there was no violation of applicable rules; and that the Guidebook does not provide for any process by which ICANN (or any other body, including an IRP panel) may conduct a substantive review of a string similarity determination.

100. In any event, ICANN asserts that .hotels and .hoteis in fact meet every one of the visual similarity criteria applied by the SSP, as set out in the SSP Manager's Letter. Moreover, .hotels and .hoteis scored a stunning 99% for visual similarity under the publicly available SWORD algorithm which, as provided by Section 2.2.1.1.2 (Module 2-7) of the Guidebook, establishes "one objective measure for consideration by the [SSP]". According to ICANN (in response to a question posed by the Panel during the hearing), this was the highest algorithmic score among the comparison of all non-identical pairs within the 1917 new gTLD applications received by ICANN;[93] the only other pair of non-exact match strings found to be confusingly visually similar – .unicorn and .unicom – scored only 94%.[94]

101. According to ICANN, "it was not clearly 'wrong,' as Booking.com argues, for the [SSP] to find that .hotels/.hoteis are confusingly similar.[95]

102. In conclusion, ICANN states that its conduct with respect to Booking.com's application for .hotels, including in evaluating Booking.com's Request for Reconsideration, was fully consistent with ICANN's Articles of Incorporation, its Bylaws and the procedures established in the Guidebook; and the fact that Booking.com disagrees with the SSP's determination to put .hotels and .hoteis in a contention set does not give rise to an IRP.

103. ICANN asks the Panel to deny Booking.com's IRP Request.

VI. ANALYSIS

A. The Panel's Authority

[92] Sur-Reply, ¶ 20-42.

[93] A number of these applications were subsequently withdrawn.

[94] Identical pairs, of course, received a score of 100% for visual similarity under the SWORD algorithm.

[95] Response, ¶ 53.

104. The jurisdiction and authority of an IRP panel is expressly prescribed – and expressly limited – by the ICANN Bylaws. To recap, Article IV, Section 3 of the Bylaws provides:

> *4. [The IRP Panel] shall be charged with comparing contested actions of the Board to the Articles of Incorporation and Bylaws, and with declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws. The IRP Panel must apply a defined standard of review to the IRP request, focusing on:*
>
> *a. did the Board act without conflict of interest in taking its decision?;*
>
> *b. did the Board exercise due diligence and care in having a reasonable amount of facts in front of them?; and*
>
> *c. did the Board members exercise independent judgment in taking the decision, believed to be in the best interests of the company [ICANN]?*
>
> *[…]*
>
> *11. The IRP Panel shall have the authority to:*
>
> *[…]*
>
> *c. declare whether an action or inaction of the Board was inconsistent with the Articles of Incorporation or Bylaws; and*
>
> *d. recommend that the Board stay any action or decision, or that the Board take any interim action, until such time as the Board reviews and acts upon the opinion of the IRP;*
>
> *[…]*
>
> *18. […] The IRP Panel shall make its declaration based solely on the documentation, supporting materials, and arguments submitted by the parties […]*
>
> *[Underlining added]*

105. Similarly, Article 8 of the Supplementary Procedures reads:

> ***8. Standard of Review***
>
> *The IRP is subject to the following standard of review: (i) did the ICANN Board act without conflict of interest in taking its decision; (ii) did the ICANN Board exercise due diligence and care in having sufficient facts in front of them; (iii) did the ICANN Board members exercise independent judgment in taking the decision, believed to be in the best interests of the company?*
>
> *If a requestor demonstrates that the ICANN Board did not make a reasonable inquiry to determine it had sufficient facts available, ICANN Board members had a conflict of interest in participating in the decision, or the decision was not an exercise in independent judgment, believed by the ICANN Board to be in the best interests of the company, after taking account of the Internet community and the global public interest, the requestor will have established proper grounds for review.*

106. There is no dispute as regards the Panel's duty to compare the actions of the Board to ICANN's Articles of Incorporation and Bylaws (and, in this case, Guidebook) with a view to

declaring whether those actions are inconsistent with applicable policies. Where the parties disagree is with respect to the standard of review to be applied by the Panel in assessing Board conduct.

107. ICANN submits that its Bylaws "specify that a deferential standard of review be applied when evaluating the actions of the ICANN Board ... the rules are clear that the appointed IRP Panel is neither asked to, nor allowed to, substitute its judgment for that of the Board."[96] Booking.com argues that this "is simply wrong. No such specification is made in ICANN's Bylaws or elsewhere, and a restrictive interpretation of the standard of review would ... fail to ensure accountability on the part of ICANN and would be incompatible with ICANN's commitment to maintain (and improve) robust mechanisms for accountability."[97]

108. In the opinion of the Panel, there can be no question but that the provisions of the ICANN Bylaws establishing the Independent Review Process and defining the role of an IRP panel specify that the ICANN Board enjoys a large degree of discretion in its decisions and actions. So long as the Board acts without conflict of interest and with due care, it is entitled – indeed, required – to exercise its independent judgment in acting in what it believes to be the best interests of ICANN. The only substantive check on the conduct of the ICANN Board is that such conduct may not be inconsistent with the Articles of Incorporation or Bylaws – or, the parties agree, with the Guidebook. In that connection, the Panel notes that Article 1, Section 2 of the Bylaws also clearly states that in exercising its judgment, the Board (indeed "[a]ny ICANN body making a recommendation or decision") shall itself "determine which core values are most relevant and how they apply to the specific circumstances of the case at hand."

109. In other words, in making decisions the Board is required to conduct itself reasonably in what it considers to be ICANN's best interests; where it does so, the only question is whether its actions are or are not consistent with the Articles, Bylaws and, in this case, with the policies and procedures established in the Guidebook.

110. There is also no question but that the authority of an IRP panel to compare contested actions of the Board to the Articles of Incorporation and Bylaws, and to declare whether the Board has acted consistently with the Articles and Bylaws, does not extend to opining on the nature of those instruments. Nor, in this case, does our authority extend to opining on the nature of the policies or procedures established in the Guidebook. In this regard it is recalled that Booking.com itself repeatedly stresses that it does not contest the validity or fairness of the string similarity review process as set out in the Guidebook, but merely whether ICANN's actions were consistent with various elements of that process. Stated differently, our role in this IRP includes assessing whether the applicable rules – in this case, the rules regarding string similarity review – were followed, not whether such rules are appropriate or advisable.

111. Nevertheless, this does not mean that the IRP Panel may only review ICANN Board actions or inactions under the deferential standard advocated by ICANN in these proceedings. Rather, as explained below, the IRP Panel is charged with "objectively" determining whether

[96] Response, ¶ 24.

[97] Reply, ¶ 6.

or not the Board's actions are in fact consistent with the Articles, Bylaws and Guidebook, which the Panel understands as requiring that the Board's conduct be appraised independently, and without any presumption of correctness.

112. In the only other IRP of which the Panel is aware in which such questions were addressed in a published decision, the distinguished members of the IRP panel had this to say about the role of an IRP panel, and the applicable standard of review, in appraising Board action:

> *The Internet Corporation for Assigned Names and Numbers is a not-for profit corporation established under the law of the State of California. That law embodies the 'business judgment rule'. Section 309 of the California Corporations Code provides that a director must act 'in good faith, in a manner such director believes to be in the best interests of the corporation and its shareholders…' and shields from liability directors who follow its provisions. However ICANN is no ordinary non-profit California corporation. The Government of the United States vested regulatory authority of vast dimension and pervasive global reach in ICANN. In 'recognition of the fact that the Internet is an international network of networks, owned by no single nation, individual or organization' – including ICANN -- ICANN is charged with 'promoting the global public interest in the operational stability of the Internet…' ICANN 'shall operate for the benefit of the Internet community as a whole, carrying out its activities in conformity with relevant principles of international law and applicable international conventions and local law…' Thus, while a California corporation, it is governed particularly by the terms of its Articles of Incorporation and Bylaws, as the law of California allows. Those Articles and Bylaws, which require ICANN to carry out its activities in conformity with relevant principles of international law, do not specify or imply that the International [sic] Review Process provided for shall (or shall not) accord deference to the decisions of the ICANN Board. The fact that the Board is empowered to exercise its judgment in the application of ICANN's sometimes competing core values does not necessarily import that that judgment must be treated deferentially by the IRP. In the view of the Panel, the judgments of the ICANN Board are to be reviewed and appraised by the Panel objectively, not deferentially. The business judgment rule of the law of California, applicable to directors of California corporations, profit and nonprofit, in the case of ICANN is to be treated as a default rule that might be called upon in the absence of relevant provisions of ICANN's Articles and Bylaws and of specific representations of ICANN … that bear on the propriety of its conduct. In the instant case, it is those Articles and Bylaws, and those representations, measured against the facts as the Panel finds them, which are determinative.*[98]
>
> *[Underlining added.]*

113. While on no way bound by that decision, we agree with its conclusions in this respect.

114. At the end of the day we fail to see any significant difference between the parties' positions in this regard. The process is clear, and both parties acknowledge, that the Panel is tasked with determining whether or not the Board's actions are consistent with ICANN's Articles of Incorporation, Bylaws and the Guidebook. Such a determination calls for what the panel in

[98] ICDR Case No. 50 117 T 00224 08, *ICM Registry, LLC* v. *ICANN*, Declaration dated 19 February 2010 ("*ICM Registry*"), ¶ 136.

the *ICM Registry* matter called an "objective" appraisal of Board conduct as measured against the policies and rules set out in those instruments; all agree that it is the Articles, Bylaws and Guidebook which are determinative.

115. That being said, we also agree with ICANN to the extent that, in determining the consistency of Board action with the Articles, Bylaws and Guidebook, an "IRP Panel is neither asked to, nor allowed to, substitute its judgment for that of the Board." In other words, it is not for the Panel to opine on whether the Board could have acted differently than it did; rather, our role is to assess whether the Board's action was consistent with applicable rules found in the Articles, Bylaws and Guidebook. Nor, as stated, is it for us to purport to appraise the policies and procedures established by ICANN in the Guidebook (since, again, this IRP is not a challenge to those policies and procedures themselves[99]), but merely to apply them to the facts.

116. With the foregoing firmly in mind, the Panel turns now to the issues to be determined in order to resolve the present dispute.

B. The String Similarity Review Process

117. The Panel is not unsympathetic to Booking.com's complaints regarding the string similarity review process as established by the Guidebook. There is no question but that that process lacks certain elements of transparency and certain practices that are widely associated with requirements of fairness. For example, the Guidebook provides no means for applicants to provide evidence or make submissions to the SSP (or any other ICANN body) and so be fully "heard" on the substantive question of the similarity of their applied-for gTLD strings to others.

118. Indeed, as stated at the outset of this Declaration, these observations and the concerns that they engender were voiced by several members of the ICANN Board's New gTLD Program Committee which voted to accept the BGC's Recommendation to deny Booking.com's Request for Reconsideration. The Panel can do no better than reproduce the statements made by the NGPC members in this respect, as recorded in the minutes of the NGPC's 10 September 2013 meeting:[100]

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[99] As discussed in more detail in the following section (at para. 117 and following) and again at Part IV of this Declaration, the important questions that Booking.com highlights in its pleadings, as to whether the string similarity review process is consistent with ICANN's guiding principles of transparency and fairness, and regarding the published views of various members of ICANN's NGPC in this respect, are matters which the ICANN Board, in its discretion, may wish to consider on its own motion in the context of the present case, in accordance with its authority under Section 5.1 (Module 5-4) of the Guidebook, or when it issues the Guidebook for round two of the New gTLD Program. Those questions include a lack of clarity surrounding the way in which the string similarity review is conducted by the SSP, and the absence of any means for applicants to be heard in the string similarity review process where they may have evidence to adduce or arguments to make (such as the evidence and arguments presented by Booking.com to this Panel), which could in fact be relevant to the SSP's determination.

[100] Request, Annex 16.

- Mr. George Sadowski stated his intention to abstain from the vote because, although "he understood that the BGC did the right thing, [he] thought the end result that was contrary to ICANN's … and the user's best interests."

- Ms. Olga Madruga-Forti also stated her intention to abstain from voting on the BGC recommendation "because there was not sufficient rationale provided for why the string similarity review panel made its determination."

- In response to a comment by the Chair that the Request for Reconsideration deserved to be denied "[b]ecause the process was followed," Mr. Ray Plzak "agreed that the process was followed, but noted that the process needs to be reviewed to potentially add a mechanism that would allow persons who don't agree with the outcome to make an objection, other than using a Reconsideration Request."

- Mr. Plzak "recommended the Committee send a strong signal to the BGC, or adopt a resolution recommending that the BGC consider development of a different mechanism to provide an avenue for the community to appeal the outcome of a decision based on the merits."

- Ms. Madruga-Forti agreed and "recommended that in the future, a remand or appeals mechanism may help alleviate the concerns noted."

- Mr. Bill Graham also agreed with Mr. Plzak's suggestion, and noted that "generally, there is a considerable level of discomfort and dissatisfaction with the process as expressed by Committee members."

- The Chair "agreed with [Mr. Graham's] sentiment."

- The General Counsel and Secretary noted that ICANN … "has tried to encourage more use of the ombudsman, or other accountability mechanisms for these types of concerns."

119. Ultimately, five members of the NGPC voted in favour of the resolution accepting the BGC's Recommendation; two members were unavailable to vote; and four members abstained. The abstaining members offered the following voting statements:

- Mr. Plzak stated that he abstained from voting "because he is disappointed in what is being done to remedy the situation. [He] would like to see more resolve to fix the process."

- Ms. Madruga-Forti stated that:

> *[T]he BGC has done an appropriate job of applying a limited review standard to the application for reconsideration, but unfortunately, in this circumstance, to apply that limited review accompanied by a lack of information regarding the rationale of the string similarity review panel is not possible in a logical and fair manner. The public interest would not be served by applying the limited review standard without proper information on the basis and reasoning for the decision of the panel. In my opinion, the public interest would be better served by abstaining and continuing to explore ways to*

establish a better record of the rationale of the string similarity review panel in circumstances such as this.

- Mr. Kuo-Wei Wu agreed with Ms. Madruga-Forti's and Mr. Plzak's voting statements.
- Mr. Sadowsky provided the following detailed statement:

I have a strong concern regarding the ratification of the BGC recommendation to deny the reconsideration request regarding string contention between .hoteis and .hotels, and I therefore have therefore abstained when the vote on this issue was taken.

The reconsideration process is a very narrowly focused instrument, relying solely upon investigating deviations from established and agreed upon process. As such, it can be useful, but it is limited in scope. In particular, it does not address situations where process has in fact been followed, but the results of such process have been regarded, sometimes quite widely, as being contrary to what might be best for significant or all segments of the … community and/or Internet users in general.

The rationale underlying the rejection of the reconsideration claim is essentially that the string similarity process found that there was likely to be substantial confusion between the two, and that therefore they belonged in a contention set. Furthermore, no process has been identified as having been violated and therefore there is nothing to reconsider. As a Board member who is aware of ICANN's … Bylaws, I cannot vote against the motion to deny reconsideration. The motion appears to be correct based upon the criteria in the Bylaws that define the reconsideration process and the facts in this particular case. However, I am increasingly disturbed by the growing sequence of decisions that are based upon a criterion for user confusion that, in my opinion, is not only both incomplete and flawed, but appears to work directly against the concept that users should not be confused. I am persuaded by the argument made by the proponents of reconsideration in this case that users will in fact not be confused by .hoteis and .hotels, since if they enter the wrong name, they are very likely to be immediately confronted by information in a language that they did not anticipate.

Confusion is a perceptual issue. String similarity is only one consideration in thinking about perceptual confusion and in fact it is not always an issue. In my opinion, much more perceptual confusion will arise between .hotel and .hotels than between .hotels and .hoteis. Yet if we adhere strictly to the Guidebook and whatever instructions have or have not been given to string similarity experts, it is my position that we work against implementing decisions that assist in avoiding user confusion, and we work in favor of decisions that are based upon an incorrect, incomplete and flawed ex ante analysis of the ICANN Network real issues with respect to user confusion.

The goal of the string similarity process is the minimization of user confusion and ensuring user trust in using the DNS … The string similarity exercise is one of the means in the new gTLD … process to minimize such confusion and to strengthen user trust. In placing our emphasis, and in fact our decisions, on string similarity only, we are unwittingly substituting the means for the goal, and making decisions regarding the goal on the basis of a means test. This is a disservice to the Internet user community.

I cannot and will not vote in favor of a motion that reflects, directly or indirectly, an unwillingness to depart from what I see as such a flawed position and which does not reflect In my opinion an understanding of the current reality of the situation.

120. These statements reflect to an important degree the Panel's own analysis.

121. The elements of the string similarity review process were established and widely published several years ago, after extensive consultation and debate among ICANN stakeholders and the Internet community. Booking.com correctly describes the process established (or "crystallized") in the Guidebook as a component of "a consensus policy" concerning the introduction of new gTLDs.[101]

122. The Guidebook makes clear that, as part of the initial evaluation to which all applied-for gTLDs are subject, each string would be reviewed for a number of factors, one of which is "string similarity", which involves a determination of "whether the applied-for gTLD string is so similar to other strings that it would create a probability of user confusion"[102]. The term "user" is elaborated elsewhere in the Guidebook, which speaks of confusion arising "in the mind of the average, reasonable Internet user."[103]

123. The Guidebook explains that string similarity review comprises merely a "visual similarity check",[104] with a view to identifying only "visual string similarities that would create a probability of user confusion."[105]

124. The Guidebook makes clear that string similarity reviews would be conducted by an independent third party – the SSP – that would have wide (though not complete) discretion both in formulating its methodology and in determining string similarity on the basis of that methodology.

125. Section 2.2.1.1.2 of the Guidebook, titled "Review Methodology", provides that the SSP "is informed in part by an algorithmic score for ... visual similarity," which "will provide one objective measure for consideration by the [SSP]." Section 2.2.1.1.2 further states that, in addition to "examin[ing] all the algorithm data," the SSP will "perform its own review of similarities between strings and whether they rise to the level of string confusion." It is noted that the objective algorithmic score is to be treated as "only indicative". Crucially, "the final determination of similarity is entirely up to the [SSP's] judgment." (Underlining added)

126. In sum, the Guidebook calls for the SSP to determine whether two strings are so "visually similar" as to create a "probability of confusion" in the mind of an "average, reasonable Internet user." In making this determination, the SSP is informed by an "algorithmic score", to ensure that the process comprises at least one "objective measure". However, the algorithmic score is not determinative. The SSP also develops and performs "its own review". At the end of the day, the determination is entirely a matter of "the [SSP's] judgment."

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[101] Request, ¶ 13.

[102] Guidebook, §2.2 (Module 2-4).

[103] Guidebook, §2.2.1.1.2. (Underlining added)

[104] Guidebook, §2.2.1.1. (Underlining added)

[105] Guidebook, §2.2.1.1.1. (Underlining added)

127. By its very nature this process is highly discretionary. It is also, to an important degree, subjective. The Guidebook provides no definition of "visual similarity", nor any indication of how such similarity is to be objectively measured other than by means of the SWORD algorithm. The Guidebook provides no definition of "confusion," nor any definition or description of an "average, reasonable Internet user." As Mr. Sadowski of the NGPC put it: "Confusion is a perceptual issue." (Mr. Sadowski further noted: "String similarity is only one consideration in thinking about perceptual confusion, and in fact it is not always an issue.) The Guidebook mandates the SSP to develop and apply "its own review" of visual similarity and "whether similarities rise to the level of user confusion", in addition to SWORD algorithm, which is intended to be merely "indicative", yet provides no substantive guidelines in this respect.

128. Nor does the process as it exists 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 – which Booking.com claims are required under the applicable rules. Clearly, certain ICANN NGPC members themselves consider that such input would be desirable and that changes to the process are required in order for the string similarity review process to attain its true goal, which Mr. Sadowsky referred to as "the minimization of user confusion and ensuring user trust in using the DNS". However, as even the abstaining members of the NGPC conceded, the fact is that the sort of mechanisms that Booking.com asserts are required (and which those NGPC members believe should be required) are simply not part of the string similarity review process as currently established. As 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.

129. We add that we agree with ICANN that the time has long since passed for Booking.com or any other interested party to ask an IRP panel to review the actions of the ICANN Board in relation to the establishment of the string similarity review process, including Booking.com's claims that specific elements of the process and the Board decisions to implement those elements are inconsistent with ICANN's Articles and Bylaws. Any such claims, even if they had any merit, are long since time-barred by the 30-day limitation period set out in Article IV, Section 3(3) of the Bylaws. As ICANN expressed during the hearing, if Booking.com believed that there were problems with the Guidebook, it should have objected at the time the Guidebook was first implemented.

130. When asked during the hearing about its failure to object timely, Booking.com argued that it could not have known how the Board's actions – that is, how the process established in the Guidebook – would affect it prior to the submission of its application for .hotels. However, that is not a persuasive or meritorious answer. As did all stakeholders, Booking.com had the opportunity to challenge the Board's adoption of the Guidebook, at the time, if it considered any of its elements to be inconsistent with ICANN's Articles of Incorporation or Bylaws.

C. The Case of .hotels

131. In the light of the preceding analysis of Booking.com's challenge concerning the ICANN Board's actions in relation to the string similarity review process generally, the Panel is not

persuaded by its challenge concerning the Board's conduct in relation to the review of .hotels specifically.

132. There are two principal elements to this part of Booking.com's case: a challenge in relation to the process followed by the SSP; and a challenge in relation to the Board's handling of Booking.com's Request for Reconsideration of the SSP's determination. However, the fundamental obstacle to Booking.com's case is that *the established process was followed* in all respects.

133. Booking.com itself acknowledges that "the process was followed" by the SSP, which determined that .hotels and .hoteis were so visually similar as to warrant being placed in a contention set. So too did all of the NGPC members who commented on the matter recognize that "the process was followed" – for all their stated misgivings concerning the outcome of the process.

134. The same is true of the Request for Reconsideration. The Panel is struck by the extent and thoughtfulness not only of the NGPC's consideration of the issue, certain aspects of which are discussed above, but of the BGC's detailed analysis and its Recommendation to the NGPC, on the basis of which Booking.com's Request for Reconsideration was denied. Contrary to Booking.com's allegations, in neither instance was this merely a blind acceptance of a decision of a subordinate body. In fact, the reconsideration process itself, however limited and perhaps imperfect it may be, is inconsistent with Booking.com's claims of lack of "due process".

135. Although not addressed in great detail by the parties, the Panel considers several observations made by the BGC in its 1 August 2013 Recommendation to be particularly apposite:

> ▪ *These standing requirements [for Requests for Reconsideration] are intended to protect the reconsideration process from abuse and to ensure that it is not used as a mechanism simply to challenge an action with which someone disagrees, but that it is limited to situations where the staff [or the Board] acted in contravention of established policies.*[106]
>
> ▪ *Although the String Similarity Review was performed by a third party, ICANN has determined that the Reconsideration process can properly be invoked for challenges of the third party's decisions where it can be stated that either the vendor failed to follow its process in reaching the decision, or that ICANN staff failed to follow its process in accepting that decision.*[107]
>
> ▪ *Booking.com does not suggest that the process for String Similarity Review set out in the Applicant Guidebook was not followed, or that ICANN staff violated any established ICANN policy in accepting the [SSP] decision on placing .hotels and .hoteis in contention sets. Instead, Booking.com is supplanting what it believes the review*

[106] BGC Recommendation, p. 2.

[107] BGC Recommendation, p. 4. The BGC explains that "Because the basis for the Request is not Board conduct, regardless of whether the 20 December 2012 version, or the 11 April 2013 version, of the Reconsideration Bylaws is operative, the BGC's analysis and recommendation below would not change."

methodology for assessing visual similarity should have been, as opposed to the methodology set out at Section 2.2.1.1.2 of the Applicant Guidebook. In asserting a new review methodology, Booking.com is asking the BGC (and the Board through the New gTLD Program Committee (NGPC)) to make a substantive evaluation of the confusability of the strings and to reverse the decision. In the context of the New gTLD Program, the Reconsideration process is not however intended for the Board to perform a substantive review of [SSP] decisions. While Booking.com may have multiple reasons as to why it believes that its application for .hotels should not be in contention set with .hoteis, Reconsideration is not available as a mechanism to re-try the decisions of the evaluation panels.[108]

- *Booking.com also claims that its assertions regarding the non-confusability of the .hotels and .hoteis strings demonstrate that "it is contrary to ICANN policy to put them in a contention set." (Request, pages 6-7.) This is just a differently worded attempt to reverse the decision of the [SSP]. No actual policy or process is cited by Booking.com, only the suggestion that – according to Booking.com – the standards within the Applicant Guidebook on visual similarity should have resulted in a different outcome for the .hotels string. This is not enough for Reconsideration.*[109]

- *Booking.com argues that the contention set decision was taken without material information, including Booking.com's linguistic expert's opinion, or other "information that would refute the mistaken contention that there is likely to be consumer confusion between '.hotels' and '.hoteis.'" (Request, page 7.) However, there is no process point in the String Similarity Review for applicants to submit additional information. This is in stark contrast to the reviews set out in Section 2.2.2 of the Applicant Guidebook, including the Technical/Operational review and the Financial Review, which allow for the evaluators to seek clarification or additional information through the issuance of clarifying questions. (AGB, Section 2.2.2.3 (Evaluation Methodology).)*[110]

- *Just as the process does not call for additional applicant inputs into the visual similarity review, Booking.com's call for further information on the decision to place .hotels and .hoteis in a contention set … is similarly not rooted in any established ICANN process at issue.[…] While applicants may avail themselves of accountability mechanism to challenge decisions, the use of an accountability mechanism when there is no proper ground to bring a request for review under the selected mechanism does not then provide opportunity for additional substantive review of decisions already taken.*[111]

- *[W]hile we understand the impact that Booking.com faces by being put in a contention set, and that it wishes for more narrative information regarding the [SSP's] decision, no such narrative is called for in the process.*[112]

- *The Applicant Guidebook sets out the methodology used when evaluating visual similarity of strings. The process documentation provided by the String Similarity Review Panel describes the steps followed by the [SSP] in applying the methodology*

[108] BGC Recommendation, p. 5.

[109] BGC Recommendation, p. 6.

[110] BGC Recommendation, p. 6.

[111] BGC Recommendation, pp. 6-7.

[112] BGC Recommendation, p. 7.

> *set out in the Applicant Guidebook. ICANN then coordinates a quality assurance review over a random selection of [SSP's] reviews to gain confidence that the methodology and process were followed. That is the process used for a making and assessing a determination of visual similarity. Booking.com's disagreement as to whether the methodology should have resulted in a finding of visual similarity does not mean that ICANN (including the third party vendors performing String Similarity Review) violated any policy in reaching the decision (nor does it support a conclusion that the decision was actually wrong).*[113]
>
> ▪ *The [SSP] reviewed all applied for strings according to the standards and methodology of the visual string similarity review set out in the Applicant Guidebook. The Guidebook clarifies that once contention sets are formed by the [SSP], ICANN will notify the applicants and will publish results on its website. (AGB, Section 2.2.1.1.1.) That the [SSP] considered its output as "advice" to ICANN (as stated in its process documentation) is not the end of the story. Whether the results are transmitted as "advice" or "outcomes" or "reports", the important query is what ICANN was expected to do with that advice once it was received. ICANN had always made clear that it would rely on the advice of its evaluators in the initial evaluation stage of the New gTLD Program, subject to quality assurance measures. Therefore, Booking.com is actually proposing a new and different process when it suggests that ICANN should perform substantive review (instead of process testing) over the results of the String Similarity Review Panel's outcomes prior to the finalization of contention sets.*[114]
>
> ▪ *As there is no indication that either the [SSP] or ICANN staff violated any established ICANN policy in reaching or accepting the decision on the placement of .hotels and .hoteis in a non-exact contention set, this Request should not proceed.*[115]

136. These excerpts of the BGC Recommendation not only illustrate the seriousness with which Booking.com's Request for Reconsideration was heard, they mirror considerations to which we fully subscribe and which we find apply as well, with equal force and effect, in the context of Booking.com's IRP Request.

137. It simply cannot be said – indeed, it is not even alleged by Booking.com – that the established process was not followed by the ICANN Board or any third party either in the initial string similarity review of .hotels or in the reconsideration process.

138. Booking.com was asked at the hearing to identify *with particularity* the ICANN Board's actions (including inactions) in this case that it claims are inconsistent with ICANN's Articles of Incorporation, Bylaws or the Guidebook and regarding which it asks the Panel to render a declaration. It identified four:

- The Board's adoption of certain provisions of the Guidebook, including the allegedly ill-defined, unfair and non-transparent procedures for selecting the SSP and supervising the SSP's performance of the string similarity review process. As discussed, any claims in this regard are time-barred.

[113] BGC Recommendation, p. 7.

[114] BGC Recommendation, p. 8.

[115] BGC Recommendation, p. 10.

- The Board's acceptance of the SSP determination. As ICANN argues, there was no action (or inaction) by the Board here, no decision made (or not made) by the Board or any other body to accept the SSP's determination. The Guidebook provides that applied-for strings "*will* be placed in contention set" where the SSP determines the existence of visual similarity likely to give rise to user confusion. Simply put, under the Guidebook the Board is neither required nor entitled to intervene at this stage to accept or not accept the SSP's determination. Booking.com is correct that the Board could nevertheless have stepped in and reversed the SSP determination under Section 5.1 (Module 5-4) of the Guidebook, but did not do so; that inaction is addressed below.

- The Board's denial of Booking.com's Request for Reconsideration. As discussed above, there is nothing in the evidence that even remotely suggests that ICANN's conduct in this regard was inconsistent with its Articles, Bylaws or the Guidebook. On the contrary, we have already stated that the detailed analysis performed by the BGC and the extensive consideration of the BGC Recommendation by the NGCP undermine any claim that ICANN failed to exercise due care and independent judgment, or that its handling of the Request for Reconsideration was inconsistent with applicable rules or policy. As discussed above, just as in the present IRP, the question in the reconsideration process is whether the established process was followed. This was the question that the BGC and NGPC asked themselves in considering Booking.com's Request for Reconsideration, and which they properly answered in the affirmative in denying Booking.com's request.

- The Board's refusal to "step in" and exercise its authority under Section 5.1 (Module 5-4) of the Guidebook to "individually consider an application for a new gTLD to determine whether approval would be in the best interest of the Internet community." As pointed out by ICANN during the hearing, the fact that the ICANN Board enjoys such discretion and may choose to exercise it any time does not mean that it is bound to exercise it, let alone at the time and in the manner demanded by Booking.com. In any case, the Panel does not believe that the Board's inaction in this respect was inconsistent with ICANN's Articles of Incorporation or Bylaws or indeed with ICANN's guiding principles of transparency and fairness, given (1) Booking.com's concession that the string similarity review process was followed; (2) the indisputable conclusion that any challenge to the adoption of the SSP process itself is time-barred; (3) the manifestly thoughtful consideration given to Booking.com's Request for Reconsideration by the BGC; and (4), the fact that, notwithstanding its protestations to the contrary, Booking.com's real dispute seems to be with the process itself rather than how the process was applied in this case (given that, as noted, Booking.com concedes that the process was indeed followed).

139. The Panel further considers that these – in addition to any and all other potential (and allegedly reviewable) actions identified by Booking.com during the course of these proceedings – fail on the basis of Booking.com's dual acknowledgement that it does not challenge the validity or fairness of the string similarity review process, and that that process was duly followed in this case.

140. Finally, the panel notes that Booking.com's claim – largely muted during the hearing – regarding alleged "discrimination" as regards the treatment of its application for .hotels also founders on the same ground. Booking.com acknowledges that the established string similarity review process was followed; and there is absolutely no evidence whatsoever that .hotels was treated any differently than any other applied-for gTLD string in this respect. The mere fact that the *result* of the string similarity review of .hotels differed from the results of the reviews of the vast majority of other applied-for strings does not suggest discriminatory treatment. In any event, the Panel cannot but note the obvious, which is that .hotels is not alone in having been placed in contention by the SSP. So too was .hoteis; and so too were .unicom and .unicorn. Moreover, and once again, it is recalled that Booking.com does not claim to challenge the merits of the string similarity review, that is, the determination that .hotels and .hoteis are so visually similar as to warrant placement in a contention set.

D. Conclusion

141. In launching this IRP, Booking.com no doubt realized that it faced an uphill battle. The very limited nature of IRP proceedings is such that any IRP applicant will face significant obstacles in establishing that the ICANN Board acted inconsistently with ICANN's Articles of Incorporation or Bylaws. In fact, Booking.com acknowledges those obstacles, albeit inconsistently and at times indirectly.

142. Booking.com purports to challenge "the way in which the [string similarity review] process was established, implemented and supervised by (or under the authority of) the ICANN Board"; yet it also claims that it *does not challenge the validity or fairness of the string similarity review process as set out in the Guidebook.* It asks the Panel to overturn the SSP's determination in this case and to substitute an alternate result, in part on the basis of its own "expert evidence" regarding similarity and the probability of user confusion as between .hotels and .hoteis; yet it claims that it *does not challenge the merits of* the SSP determination and it acknowledges that *the process set out in the Guidebook was duly followed* in the case of its application for .hotels.

143. In sum, Booking.com has failed to overcome the very obstacles that it recognizes exist.

144. The Panel finds that 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.

147. Booking.com's IRP Request must be denied.

VII. THE PREVAILING PARTY; COSTS

148. Article IV, Section 3(18) of the Bylaws requires that the Panel "specifically designate the prevailing party." This designation is germane to the allocation of costs, given that Article IV, Section 3(18) provides that the "party not prevailing shall ordinarily be responsible for bearing all costs of the IRP Provider."

149. The same provision of the Bylaws also states that "in an extraordinary case the IRP Panel may in its declaration allocate up to half of the costs of the IRP Provider to the prevailing party based upon the circumstances, including a consideration of the reasonableness of the parties' positions and their contribution to the public interest. Each party to the IRP proceedings shall bear its own expenses."

150. Similarly, the Supplementary Procedures state, at Article 11:

> *The IRP PANEL shall fix costs in its DECLARATION. The party not prevailing in an IRP shall ordinarily be responsible for bearing all costs of the proceedings, but under extraordinary circumstances the IRP PANEL may allocate up to half of the costs to the*
>
> *prevailing party, taking into account the circumstances of the case, including the reasonableness of the parties' positions and their contribution to the public interest.*
>
> *In the event the Requestor has not availed itself, in good faith, of the cooperative engagement or conciliation process, and the requestor is not successful in the Independent Review, the IRP PANEL must award ICANN all reasonable fees and costs incurred by ICANN in the IRP, including legal fees.*

151. The "IRP Provider" is the ICDR, and, in accordance with the ICDR Rules, the costs to be allocated between the parties – what the Bylaws call the "costs of the IRP Provider", and the Supplementary Procedures call the "costs of the proceedings" – include the fees and expenses of the Panel members and of the ICDR (we refer to all of these costs as "**IRP costs**").

152. ICANN is undoubtedly the prevailing party in this case. That being said, the Panel considers that the nature and significance of the issues raised by Booking.com, and the contribution to the "public interest" of its submissions, are such that it is appropriate and reasonable that the IRP costs be shared equally by the parties. We consider that the extraordinary circumstances of case – in which some members of ICANN's New gTLD Program Committee have publicly declared that, in their view, the rules on the basis of which Booking.com's claims fail should be reconsidered by ICANN – warrants such a holding.

153. The Panel cannot grant Booking.com the relief that it seeks. A panel such as ours can only declare whether, on the facts as we find them, the challenged actions of ICANN are

or are not inconsistent with ICANN's Articles of Incorporation and Bylaws. We have found that the actions in question are not inconsistent with those instruments. The process established by ICANN under its Articles of Incorporation and Bylaws and set out in the Guidebook was followed, and the time to challenge that process (which Booking.com asserts is not its intention in these proceedings in any event) has long passed.

154. However, we can – and we do – acknowledge certain legitimate concerns regarding the string similarity review process raised by Booking.com, discussed above, which are evidently shared by a number of prominent and experienced ICANN NGPC members. And we can, and do, encourage ICANN to consider whether it wishes to address these issues in an appropriate manner and forum, for example, when drafting the Guidebook for round two of the New gTLD Program or, more immediately, in the exercise of its authority under Section 5.1 (Module 5-4) of the Guidebook (which it may choose to exercise at any time, in its discretion) to consider whether, notwithstanding the result of the string similarity review of .hotels and .hoteis, approval of both of Booking.com's and Despegar's proposed strings would be in the best interest of the Internet community.

FOR THE FOREGOING REASONS, the Panel hereby declares:

(1) Booking.com's IRP Request is denied;

(2) ICANN is the prevailing party;

(3) In view of the circumstances, each party shall bear one-half of the costs of the IRP Provider, including the fees and expenses of the Panel members and the fees and expenses of the ICDR. As a result, the administrative fees and expenses of the ICDR, totaling US$4,600.00, as well as the compensation and expenses of the Panelists totaling US$163,010.05 are to be borne equally. Therefore, ICANN shall pay to Booking.com the amount of US$2,300.00 representing that portion of said fees and expenses in excess of the apportioned costs previously incurred by Booking.com

(4) This Final Declaration may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute the Final Declaration of this IRP Panel.

Hon. A. Howard Matz
Date: March 2, 2015

David H, Bernstein
Date:

Stephen L. Drymer,
Chair of the IRP Panel
Date:

I, Hon. A. Howard Matz, do hereby affirm upon my oath as Arbitrator that I am the individual described in and who executed this instrument, which is the Final Declaration of the IRP Panel.

March 2, 2015
Date

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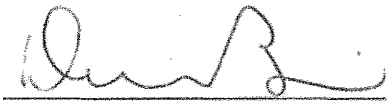

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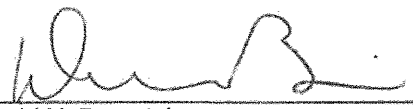

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Hon. A. Howard Matz
Date:

David H, Bernstein
Date:

Stephen L. Drymer,
Chair of the IRP Panel
Date: 3 March 2015

I, Hon. A. Howard Matz, do hereby affirm upon my oath as Arbitrator that I am the individual described in and who executed this instrument, which is the Final Declaration of the IRP Panel.

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3 March 2015

Date

Stephen L. Drymer

REFERENCE MATERIALS - BOARD PAPER NO. 2015.04.26.xx

TITLE: ICANN Five-Year Operating Plan

Reference Material

- Attached as Exhibit A is the Public Comment Analysis and/or Summary for the ICANN Five-Year Operating Plan for FY16-FY20 Version 1
- Attached as Exhibit B is the ICANN Five-Year Operating Plan for FY16-FY20 Version 2
- Attached as Exhibit C is a redline showing the changes made from Version 1 to Version 2 of the ICANN Five-Year Operating Plan for FY16-FY20
- Attached as Exhibit D is the ICANN Five-Year Operating Plan Version 1
- Attached as Exhibit E is the adopted ICANN Five-Year Strategic Plan for FY16-FY20)
- Attached as Exhibit F is the PowerPoint Highlighting Changes from Version 1 to Version 2 of ICANN Five-Year Operating Plan FY16-FY20

Submitted by: Carole Cornell

Position: Senior Director, Business Intelligence & Program Management

Date Noted: April 13, 2015

Email: Carole.Cornell@icann.org

Report of Public Comments

Title:	ICANN Draft Five-Year Operating Plan
Publication Date:	6 February 2015
Prepared By:	Carole Cornell & Leo Vegoda

Comment Period:	
Comment Open Date:	11 Nov 2014 23:59 UTC
Comment Close Date:	~~12 Dec 2014~~ extended to 4 January 2015 23:59 UTC

Important Information Links
Announcement
Public Comment Box
View Comments Submitted

Staff Contact:	Carole Cornell	**Email:**	carole.cornell@icann.org

Section I: General Overview and Next Steps

ICANN sought input on its Draft Five-Year Operating Plan (v1, FY16-FY20) which contains the following:

- Five-Year planning calendar
- Strategic goals with corresponding Key Performance Indicators (KPIs), dependencies, Five-Year phasing and list of portfolios
- Five year financial model

This report summarizes and analyzes the input received and provides an action plan for implementation.

Section II: Contributors

At the time this report was prepared, a total of eight (8) community submissions had been posted to the Forum. The contributors, both individuals and organizations/groups, are listed below in chronological order by posting date with initials noted. To the extent that quotations are used in the foregoing narrative (Section III), such citations will reference the contributor's initials.

Organizations and Groups:

Name	Submitted by	Initials
Business Constituency	Steve DelBianco	BC
Intellectual Property Constituency	Steven Metalitz	IPC
U.S. Chamber of Commerce	Adam Schlosser	USCC
ccNSO Strategy and Operating Plan WG	Giovanni Seppia	ccNSO SOP WG
Registries Stakeholder Group	Paul Diaz	RySG
Center for Data Innovation	Daniel Castro	CDI

ALAC	ICANN Staff for ALAC	ALAC
Noncommercial Users Constituency	Edward Morris	NCUC

No individual submitted comments.

Section III: Summary of Comments

General Disclaimer: This section is intended to broadly and comprehensively summarize the comments submitted to this Forum, but not to address every specific position stated by each contributor. Staff recommends that readers interested in specific aspects of any of the summarized comments, or the full context of others, refer directly to the specific contributions at the link referenced above (View Comments Submitted).

The comments received fell into six broad categories:

1. Planning / Process
2. Five-Year Operating Plan KPIs
3. Five-Year Operating Plan Dependencies
4. Five-Year Operating Plan Phasing
5. Financial Model
6. Other Issues

Some of the inputs received suggested changes to the Strategic Plan upon which the draft Five-Year Operating Plan is based. ICANN adopted its first Five-Year Strategic Plan (FY2016 – FY2020) on 14 October 2014. It was developed over a year through an extensive, collaborative, bottom-up, multistakeholder and multilingual process. It enables ICANN's global community to coalesce around a new overarching vision and long-term objectives. The Strategic Plan articulates ICANN's new Vision, restates ICANN's founding Mission, and sets forth five Strategic Objectives and sixteen Strategic Goals, each with Key Success Factors (Outcomes), and Strategic Risks.

We analyzed the points made in the comments received and have summarized them in the table below, which shows the distribution of input across these themes from the contributors.

Respondents	Planning / Process	KPIs	Dependencies	Phasing	Financial Model	Other
Business Constituency		4	1		1	3
Intellectual Property Constituency		5	1	1		3
U.S. Chamber of Commerce		1				2
ccNSO Strategy & Operating Plan WG	2	13		2	6	9
Registries Stakeholder Group		8		4	3	3
Center for Data Innovation		2		1		4
ALAC		3		1		6
Noncommercial Users Constituency		2		1		8
Total (8/100)	**2**	**38**	**2**	**10**	**10**	**38**

The input received is summarized in the sections below. The full contributions are available in the public comment forum.

Planning / Process

Several contributors noted the process improvements that have taken place for this round of strategic and operational planning and the ccNSO SOP WG asked for clarification on the mechanisms for keeping the Five-Year Operating Plan updated in line with community expectations.

Five-Year Operating Plan Key Performance Indicators (KPIs)

Input on the Operating Plan KPIs was split into three broad areas:

1. Requests for clarification or definition of KPIs and their phrasing
2. Comments on the KPI development and review process
3. Comments on the quality of some KPIs

Examples of the first area include requests for clarity on what the Advice Registry is, and what the DNS/Unique Identifier health metrics will be.

On the second point, there were several comments noting that KPIs need to be reviewed over the duration of the plan to make sure that they and the associated targets remain relevant. For instance, the ccNSO SOP WG noted that it "is vital that the metrics actually measure progress against the strategic goals and objectives, so that they can be understood by all stakeholders and enable monitoring and assessment of progress on an annual basis."

Several comments noted that while some of the KPIs were quite specific, others were less so and referenced indices or health metrics that are yet to be developed. For instance, NCSG noted that "Instead of mentioning the criteria in general terms, specific targeted goals, often numeric in nature, should be indicated." And the ccNSO SOP WG stated that "they appear to actually measure achievement of the strategic goal in question. For example, an 'increase in the number of public comments' may be an indicator of a controversial policy rather than efficient and effective stakeholder engagement."

Five-Year Operating Plan Dependencies

There were two comments on the dependencies in the draft plan. Firstly, the BC asked whether the dependencies identified for 4.3 (Participate in the evolution of a global, trusted, inclusive multistakeholder Internet governance ecosystem that addresses Internet issues) should actually be incorporated in the phasing section of that goal. Secondly, the IPC noted that community bandwidth is not just a dependency for 2.3 (Support the evolution of domain name marketplace to be robust, stable and trusted) but supports ICANN's success in almost all areas.

Five-Year Operating Plan Phasing

Input to the Operating Plan Phasing was split into three broad areas:

1. Requests for clarification or definition of phases and their phrasing
2. Comments on the SO-AC Special Request process
3. Comments on the underlying Strategic Plan

Examples of the first area include RySG's questions about who would be producing the white papers described in 2.2 (Proactively plan for changes in the use of unique identifiers, and develop technology roadmaps to help guide ICANN activities) and the definition of "stable healthy year over year (YoY) growth in the DN industry" in 2.3 (Support the evolution of domain name marketplace to be robust, stable and trusted).

On the second point, there were inputs from NCSG and the IPC on the planned phasing-out of the SO-AC Special Request process and requests for clarification on the overall budgeting process.

There were several requests for changes to the underlying Strategic Plan, which was developed over a year in an extensive, collaborative, bottom-up, multistakeholder and multilingual process, and which the Board approved on 14 October 2014. The Five-Year Operating Plan is based upon the Strategic Plan approved by the Board.

Financial Model

Input on the financial model received compliments from RySG and others but also a set of questions and requests for clarification. The ccNSO SOP WG stated that it "finds it difficult to assess whether the proposed activities in the plan are affordable or, alternatively, would result in unacceptable increases or decreases to ICANN's income and expenditure" and the BC requested the clarification of the expenses for new gTLDs. RySG also requested that cost control stewardship be added as a principle in the financial model.

Other Issues

The other issues raised in the input ranged from typographical errors found in the document (BC), through requests for more information about aspects of the plan, such as the meaning of "steward of the public interest" (USCC), and comments on the underlying Strategic Plan the Board approved on 14 October 2014.

Section IV: Analysis of Comments

General Disclaimer: This section is intended to provide an analysis and evaluation of the comments received along with explanations regarding the basis for any recommendations provided within the analysis.

ICANN welcomes the feedback on the structure of the Strategic Plan upon which the draft Five-Year Operating Plan was based. The Strategic Plan was developed over a year through an extensive, collaborative, bottom-up, multistakeholder and multilingual process. It enables ICANN's global community to coalesce around a new overarching vision and long-term objectives. It articulates ICANN's new Vision, restates ICANN's founding Mission, and sets forth five Strategic Objectives and sixteen Strategic Goals, each with Key Success Factors (Outcomes), and Strategic Risks. The Five-Year Operating Plan will be updated, when appropriate, for the remaining years within the Five-Year cycle. No changes to the Strategic Plan for FY2016–FY2020 are anticipated, unless a critically significant event or development is observed, such that it would have a significant impact on the strategy for the remainder of the cycle.

Planning / Process

ICANN staff appreciates the confidence expressed by the community in the improved planning process. The Five-Year Operating Plan will be updated each year, using a similar timeframe, to reflect actual performance and how recent events at the time would impact the remaining years in the then current planning cycle. Consequently, the Five Year Operating Plan is one element of our planning process that requires collaborative effort from all aspects of the ICANN community.

Five-Year Operating Plan KPIs

The 20 KPIs identified in the Draft Five-Year Operating Plan were the areas which received the highest number of comments. The overall message received was that more work is needed to refine the KPIs and associated targets, so that they are clearer and more specific. These improvements will be worked on and shared with the community.

The KPI results will also be shared with the community, using a number of mechanisms, so that the appropriate level of detail is available. These mechanisms will include quarterly stakeholder calls, reports at ICANN meetings, and the public dashboard currently being developed by staff.

The questions asked and requests for clarifications have been answered in Appendix B, below and appropriate changes will be included in the updated Five-Year Operating Plan.

Five-Year Operating Plan Dependencies

There were just two comments received on the dependencies identified in the Draft Five-Year Operating Plan. The message received was that the language needs to be clearer. In particular, it was indicated that while community bandwidth is obviously a limited resource in all aspects of ICANN's engagement with the community, the updated text needs to explain the particular issues associated with engaging the community on the evolution of domain name marketplace.

Full answers are provided in Appendix C, below.

Five-Year Operating Plan Phasing

The clarifications requested are given in the Appendix D, below.

The message received on the elimination of the "SO/AC special request process" was that the community is concerned that any replacement needs to provide adequate support for community engagement. The elimination of this process is planned to take place as a consequence of structural improvements to ICANN's planning and budgeting processes. ICANN remains committed to supporting SOs and ACs and will not be reducing that support.

ICANN will begin implementation of the Strategic Plan agreed with the community and approved by the Board as described in this Five-Year Operating Plan. Consultations on changes to the Strategic Plan will take places during FY19 or if a critically significant event or development is observed, such that it would have a significant impact on the strategy for the remainder of the cycle.

Financial Model

The overall message received was that the community is satisfied with the structure of the financial model. However, there were a number of questions and requests for clarification. These have been answered in Appendix E, below and appropriate changes will be included in the updated Five-Year Operating Plan

Other Issues

The typographical errors noted by the BC will be corrected. The questions asked and requests for clarifications have been answered in Appendix F, below and appropriate changes will be included in the updated Five-Year Operating Plan.

Appendix A: Planning / Process

Organization	Comment	Response
ccNSO (SOP WG)	The ICANN Five-Year Operating Plan (2016-2020) represents a great improvement in comparison to the previous efforts made by ICANN to set long term strategies.	Thank you for the comment on the Draft Five-Year Operating Plan.
ccNSO (SOP WG)	With regard to the consultation process about the Plan, we would appreciate further clarification from ICANN on the mechanisms that ICANN plans to adopt in order to keep the Plan updated and in line with community expectations. As a matter of fact, within the various objectives and	The Five-Year Operating Plan will be updated each year to reflect how actual performance and recent events at the time would impact the remaining years in the then current planning cycle. Additionally the Five Year Operating Plan is one element of our planning process and

	goals we note confusing lines on the frequency of consultation.	requires collaborative effort from all aspects of the ICANN community.

Appendix B: Five-Year Operating Plan KPIs

Organization	Comment	Response
BC	The 5% figure is overly ambitious	At the current state of deployment of both DNSSEC and IPv6, we believe that five percent is achievable. In the case of IPv6, we anticipate the exhaustion of the IPv4 free pools in the APNIC, RIPE NCC, LACNIC, and ARIN regions will increase the costs of providing Internet connectivity over IPv4. These increased costs will tend to encourage the use of IPv6, which we believe is already feeling the impact of the "network effect". In the case of DNSSEC, we anticipate increased interest in security features across all areas of the Internet as evidenced by recent IETF activities in response to the Snowden revelations, the Sony hack, and other events, along with interest in deploying DNSSEC-dependent technologies such as DANE will drive DNSSEC deployment. ICANN has already begun encouraging the deployment of validation among resolver operators and will continue to encourage zone administrators to sign their zones.
BC	There is no KPI tied to this, for an understanding of how stable, healthy growth will be measured, despite it being an objective for four of the five years of the plan.	"Stable" is taken to mean non-disruptive to the general operation of the domain name industry. "Healthy" is taken to mean sustainable and without significant negative impact on the domain name industry ecosystem. The stability and health of the domain name industry can be measured by a variety of metrics. ICANN is in the process of working with the community to reach a consensus on which metrics best measure the health of the Domain Name Industry. The initial KPI for this objective is to identify the metrics and subsequent KPIs will be based on a community consensus as to appropriate

		values of those metrics over time.
BC	Establishing a definition and tracking system of "actions by ICANN in decision-making" needs to be established first.	Thank you for your input. We will do this.
BC	No assessment is expected to be performed until FY20. Suggest annual assessments for this important strategic goal.	Staff will work on developing a plan for regular assessments, to take place during the course of the Plan. The results of the assessments will be used to refine the approaches and deployments used to deliver this goal
IPC	Pp. 14-15, same questions as to "DNS/Unique Identifiers health metrics." What are these?	ICANN is currently investigating the metrics that can be used to establish the "health" of the Internet's system of unique identifiers. We are beginning work with DNS-OARC, the Cyber Green Initiative, and others to develop these metrics that will allow the community to monitor the state of the Internet's system of unique identifiers over time in order to determine the effects on that system of the changes put in place by the community.
IPC	Pp. 14-15, same questions as to "ICANN legitimacy survey." What is this?	In a number of venues such as the IGF and the ITU, questions have been raised about the legitimacy of ICANN as the coordinator of the Internet's system of unique identifiers. The ICANN legitimacy survey will be a formal, statistically valid survey, which will measure the perception of ICANN's legitimacy from the perspective of the various components of the global multistakeholder community.
IPC	P. 17: Why is it a goal to "show stable healthy year over year growth in the DN industry" over each of the next four years? Despite evidence of recurrent confusion on this point from some in the ICANN senior staff, ICANN is not a trade association for the domain name industry. Isn't it perfectly plausible for ICANN to achieve its strategic objective of a "robust, stable and trusted domain name marketplace" even if the "industry" is not "growing"?	It is a goal to show stable and healthy year over year growth in the Domain Name industry because the alternative would be unstable and/or unhealthy. Growth can, of course, be zero or negative -- the key is for that growth to be healthy and stable.
IPC	Finally, IPC has a number of questions	We will systematically review and refine

	concerning the metrics proposed in the plan as "key performance indicators." We see the suggested metrics as straw men and encourage them not to be cemented, but expressed more generally in the 5-year plan, and solidified with community input to have more practical measures of programmatic success. For example, answers to the following questions could be useful: Strategic Goal 1.3 (page 12): measuring "active participation" in policy development. Some of this is quantifiable, some of it much less so (e.g., a person who frequently posts to a working group mailing list may be adding little more than "+1"). How does ICANN propose to reflect this qualitative variation in participation in measuring "active participation"? • Goal 2.3 (page 17): measuring "# of abuse incidents compared to the # of registrants" could be misleading on both ends. This metric could unjustifiably favor registries (or registrars) with high-volume registration models, since a given number of incidents would have comparatively less impact on this ratio. At the same time, unless "abuse incident" is more specifically defined, the numerator of this ratio could lump together technical, "paperwork" type violations with truly serious problems. How does ICANN propose to avoid these pitfalls? • Goal 3.3 (page 21): "knowledge level of Board, staff and stakeholders": how would this be measured, by whom, and against what standard? • Goal 4.1 (page 23): the number of MOUs between ICANN and "international organizations" is certainly countable, but	the KPIs as we continue to learn what works well and what needs to evolve. The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events at the time would impact the remaining years in the then current planning cycle. Additionally the Five Year Operating Plan is one element of our planning process and requires collaborative effort from all aspects of the ICANN community.

	does this metric take into consideration how meaningful any particular MOU might be in practice? • Goal 4.3 (page 25): "# of governments and other stakeholders willing to have a national multistakeholder distributed IG structure." Why is the metric "willing to have" rather than "having"? Who determines this willingness? Who decides whether a particular nation's "IG structure" (or the structure a particular stakeholder or government is "willing to have") meets these criteria? • Goal 5.1 (page 27): "# of ICANN decisions and advice that are rationalized based on common consensus based definition of public interest based definition of public interest"—does any such definition exist? If it did, could this metric be satisfied simply by reciting the right "magic words" in the stated "rationalization"? If not, how would the number be determined?	
USCC	We also have several questions regarding the objectives related to government involvement. In objectives 4.1 and 4.3, can ICANN please expand upon what is intended by "singing of MOUs with international organizations" and explain what type of duties are envisioned? Further, under objective 4, while we appreciate the desire to increase government participation, particular that of developing nations, it is important to also highlight that an increase in participation will not result in new government powers or in any way alter the current multistakeholder model.	The Memorandums of Understanding (MOUs) that ICANN executes with other organizations are mutual recognition documents that endorse ICANN's role and mission and recognize its work coordinating, at the overall level, the global Internet's systems of unique identifiers. These agreements do not create extra duties or obligations. They are a mechanism to formalize recognition of the parties roles and where appropriate and in keeping with the missions of the parties to find collaboration opportunities in the performance of those roles. MOUs are posted on the ICANN website. The work done to increase participation of various constituencies in the various SO and AC supports the existing multi-stakeholder model of Internet Governance

		- it does not change the roles of any of the SO or AC nor does it change the relation between them. The effort is to make the model as robust as possible through board support and participation and support the work of the multi-stakeholder model through increasing the available volunteers at a time when the community has understandably raised questions of bandwidth of the existing participants.
ccNSO (SOP WG)	The ccNSO SOP WG has provided feedback on the subject of ICANN KPIs for many years. It is therefore very disappointing that some KPIs are missing and/or the proposed KPI's still need significant work and revision regarding most of the goals.	KPIs will be reviewed and refined as we continue to learn what works well and what needs to evolve. The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events impact the remaining years in the then current planning cycle.
ccNSO (SOP WG)	It is vital that the metrics actually measure progress against the strategic goals and objectives, so that they can be understood by all stakeholders and enable monitoring and assessment of progress on an annual basis. In our view the proposed set of KPIs do not achieve this.	The commenter's point is well taken. KPIs will be reviewed and refined as we continue to learn what works well and what needs to evolve. The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events impact the remaining years in the then current planning cycle.
ccNSO (SOP WG)	As noted above, it is not clear how this goal is distinct from goal 1.1. We recommend that these two goals should either be unified or made more distinct. • The sole proposed KPI is weak, in that measuring the number of regional strategies and their stage of progress will not necessarily be a measure of regional engagement with stakeholders. If it is decided to measure progress against the strategies, then the KPI should be expanded to cover operations, projects and other activities. • The FY20 aim #1 that 'ICANN participants cover all regions' is queried. The WG believes that this is already the case.	In both instances, the comment reflects thinking that is consistent with upcoming proposed changes to the KPIs in general, specific to this goal. The original intent was to show the design, and project progress of community drive strategic plans. The proposed KPI is intended to be expanded on beyond just completion of projects in the coming FY16. Further changes to the KPI are pending a review of these comments and community input at ICANN 52. In addition to including project status on community plans, these metrics will be expanded to include measurement of outreach as a broader stakeholder engagement plan that includes all stakeholders in all regions. In addition to the KSF of broadening

	• The published ICANN Strategic Plan also included a key success factor of 'more geographic diversity of accredited registrars and registries', but this outcome has not been covered in this section of the Operating Plan, neither does it have a KPI.	registries and registrars, this is a key component in each of the regional strategic plans that are currently being tracked on the individual project level. The suggestion of more detailed reporting on these projects should be taken into consideration when further refining and defining KPIs.
ccNSO (SOP WG)	The wording of the strategic goal strongly suggests baseline measures for each of the attributes and year-on-year progress over the life of the plan. However, it is not clear how the planned activities achieve this nor how it is proposed to measure accountability, inclusiveness, efficiency, effectiveness and responsiveness. • The metrics are not clear. Neither do they appear to actually measure achievement of the strategic goal in question. For example, an 'increase in the number of public comments' may be an indicator of a controversial policy rather than efficient and effective stakeholder engagement.	The commenter provides some useful perspective on the challenge of developing and defining consistent and effective metrics for assessing accountability, inclusiveness, efficiency, effectiveness and responsiveness. The GNSO Council has established a working group to examine the collection of data and metrics for policy making. Once this WG has developing a framework detailing how data and metrics can be obtained from ICANN, third parties, and contracted parties, it plans to identify possible methods for data collection and metrics in relation to the primary work products of WGs. As the commenter notes, additional staff work must be done to identify specific relevant metrics for assessing the other identified success factors. In the meantime, staff is collecting data and metrics on certain basic current community participation metrics like working group attendance and participation and, the capability of current processes to meet existing PDP guidelines and timetables.
ccNSO (SOP WG)	The 'unique identifiers operation health index' is both a new term and concept. It is currently incomprehensible to the SOP WG. The meaning and means of calculation for this index should be provided, in order to help determine whether this will be able to successfully measure progress against the strategic goal. • It is not clear whether the 5% year over year improvement in the gap of IPv6 and	ICANN is in the process of establishing these metrics in cooperation with both operational and security oriented bodies. When draft metrics are identified, they will be documented and input from the community will be solicited. At the current state of deployment of both DNSSEC and IPv6, the five percent rate is achievable. In the case of IPv6, we anticipate the exhaustion of the IPv4 free pools in the APNIC, RIPE NCC, LACNIC, and ARIN regions will increase the costs of providing Internet

	DNSSEC deployment is a realistic target for ICANN and whether 'collaboration with the community' will reduce the gap to this, or a larger extent. We note that the ccTLD exemplar in this area was able to achieve a 0% - 30% DNSSEC take up over a two-year period and that DNSSEC is obligatory for new gTLDs.	connectivity over IPv4. These increased costs will tend to encourage the use of IPv6, which we believe is already feeling the impact of the "network effect". In the case of DNSSEC, we anticipate increased interest in security features across all areas of the Internet as evidenced by recent IETF activities in response to the Snowden revelations, the Sony hack, and other events, along with interest in deploying DNSSEC-dependent technologies such as DANE.
ccNSO (SOP WG)	The proposed measure of '% of registered domain names to internet users regionally and globally' would measure domain name market penetration, but does not measure the strategic goal as defined. • The 'draft technology roadmap' is a new term and the scope and detail of the roadmap has yet to be defined or explained. Given this status, it is difficult to comment on whether the phasing of the roadmap is achievable or affordable.	Agreed that the metric proposed does not measure the strategic goal as defined. The technology roadmap is intended to help guide ICANN in its coordinative efforts as the use of unique identifiers continues to evolve. Since it is difficult to predict exactly how the Internet's system of unique identifiers will evolve in the future, the technology roadmap will necessarily be fluid and subject to change. However, the initiatives that derive out of the roadmap will be defined using normal ICANN community-driven consensus processes.
ccNSO (SOP WG)	The KPIs do not fully measure progress against the strategic goal. For example, KPIs might also measure gTLD and ccTLD registry failures and end user trust in the marketplace in general and TLDs in particular. • The showing of 'stable healthy growth in the DN industry' is shown in FY17-20. However, measures to improve trust and stability could potentially reduce growth and it is not clear that this has been considered in the thinking about this goal.	The commenter's point is well taken. ICANN fully understands that the need to ensure robustness, stability, and trust may impact the growth rate in the Domain Name industry, however we also understand that growth rates can be zero or negative in order to maintain a healthy ecosystem. While at this early stage of the Domain Name industry ICANN does not anticipate a need for a reduction in the rate of growth, robustness, stability, trustworthiness, and health of that industry may at some point dictate that need.
ccNSO (SOP WG)	The proposed 'top tier infrastructure uptime' KPI may not be a measurement of the goal which is about ensuring 'structured co-ordination'. Furthermore, we would appreciate to see a cost quantification for the "scaling from 99.9%	The move to 99.999 is planned to take place over five years with the first step being the tiering of ICANN systems and applications. Expected costs would only be identified once this initial process is completed. ICANN will share the process

	in FY 2016 to 99.999% in 2020 for top tier services". It is suggested that the ICANN Technical Community be tasked with developing measurable and achievable KPIs for this area. • The published ICANN Strategic Plan also included a key success factor of 'ICANN is recognised by the global community as having technical excellence and thought leadership', but this outcome has not been covered in this section of the Operating Plan, neither does it have a KPI.	as well as the final tiering with the community once completed as appropriate. The technical capabilities of ICANN are a reflection of the people and thought leadership put in place. To this end, ICANN's strategy is to retain the necessary technology leadership. ICANN's technology leadership experts currently consist of four senior leaders in David Conrad who is a recognized expert in the Internet's system of unique identifiers; John Crain with extensive SSR expertise; Ashwin Rangan in the IT domain and Terry Manderson in his Root Server System role.
ccNSO (SOP WG)	The metrics as currently worded are almost incomprehensible. Assuming that they partly relate to the calibre of the ICANN staff team, it would be helpful to add KPIs relating to talent management, staff retention and staff engagement. • The published ICANN Strategic Plan also included a key success factor of 'ICANN is recognised by the global community as having technical excellence and thought leadership', but this outcome has not been covered in this section of the Operating Plan, neither does it have a KPI.	The KPIs for staffing and training are being developed. We are using some of the basic metrics and are researching benchmarking in this area to better understand what metrics are most useful. This is an evolving area that will see stronger, clearer KPIs and metrics in the future. The outcome of this goal is for ICANN's expertise to positively influence the systems that make use of or are dependent upon the Internet's system of unique identifiers coordinated by ICANN. The KPIs associated with having technical excellence and thought leadership would include number and quality of contributions ICANN staff make to technical forums such as the IETF and W3C and the acceptance of those contributions in the form of standards and implementations.
ccNSO (SOP WG)	We recommend the merger of this goal with goal 4.3, as the engagement with the existing Internet governance ecosystem is inevitably linked to the participation in its evolution. The merger of the two goals will also improve the flow of the fourth Strategic Goal.	Thank you for the observation. We appreciate your input on the need for clarity and coordination with respect to the Strategic Plan. The Strategic Plan's goals and objectives, which were developed through an extensive, collaborative, bottom-up multi-stakeholder and multilingual process, have been adopted by

	• The only KPI seems extremely weak against the goal. The introduction of further metrics is highly desirable because the number of Memorandums of Understanding does not adequately measure the goal, which can be better evaluated with the number of presentations/initiatives/actions. It is not even clear if the KPI refers to the number of formalised MoUs or to the range of stakeholders that have been engaged. • We would also suggest the inclusion of a careful mapping process to assess what the existing Internet governance ecosystems are at national, regional and global levels. Without this kind of initial evaluation, it is hard to set annual goals in terms of "increasing % participation rates" or having "strong working relationships with organisations and entities (…)". As for the last point, we would also like to suggest introducing better wording like "Fully structured working relationships with organisations and entities (…)". The inclusion of a sort of mapping process under the "dependencies" section does not facilitate the understanding of the actions to achieve the goal. Any mapping made in 2015 should be reviewed, as new initiatives might be developed at national, regional and global levels. • We have detected a possible inconsistency in the plan, which encourages engagement with the existing Internet governance ecosystems but in the FY16 phasing refers to increasing the number of IG multistakeholder structures over 2015.	the Board and are final. As such, we cannot merge goals at this time. As we operationalize the Strategic Plan, we will factor your input into our work. The current KPI refers to formalized MoUs. The MoU format will be revised to more clearly to document the signatories support for distributed multistakeholder IG structures. Mapping is anticipated as part of the work and the KPIs will be reviewed for alignment and to avoid repetition. The mapping will also be reviewed when the strategy is reviewed to identify if new initiatives have been developed at national, regional and global levels as this is a measurement for the KPI under 4.3. There is a central body of work and initiatives that will feed the reporting and metrics across the sub goals that roll up to support the Strategic Objective 4.
ccNSO (SOP WG)	The entire objective is based on the concept of "public interest" which has a different meaning in different places (countries and contexts). Therefore,	Work was carried out by the Strategy Panel on the Public Responsibility Framework in consultation with the community through webinars and open sessions at ICANN

	agreeing on a definition – that should include clear boundaries – of "public interest" should be at the core of the entire objective.	meetings. We will build on this work moving forward and will work on agreeing on definition of "public interest" within the ICANN context with the community.
ccNSO (SOP WG)	•The KPI for this goal deserves further clarification, especially the "rationalisation" concept. It is difficult to understand what is measured, when and by whom. • The goal lacks sufficient clear metrics and measurable actions.	Thank you for your comment. As noted above, will work on agreeing on definition of "public interest" within the ICANN context with the community and work to tie this to more clearly defined and measurable metrics.
ccNSO (SOP WG)	• We acknowledge that the goal is adequately structured, but the lack of specific metrics does not help the community to adequately monitor the actions and achievements in this area. • As stated for goal 4.4, there must be a clear link with the work of the Cross Community Working Group (CCWG) on Accountability. Therefore, the work of the CCWG has to be seen as a dependency while their progress and findings could represent sound KPIs.	We agree that specific metrics are required and we intend to review and refine them as work evolves. This includes the important work of the CCWG, which is expected to impact the goals under Strategic Objective 4.
ccNSO (SOP WG)	• The goal is very ambitious and therefore, would need to be better explained especially considering that it is aiming to engage "under-represented countries and communities and other underrepresented groups". The first step to engage with them should be at least to explain to the overall community how to get more engaged and what ICANN's expectations are. Unfortunately, the goal's paragraphs fail to address these elements. • It would be of paramount importance to further detail the concept of "priority groups" that is introduced in this goal, as it may lead to unpleasant misunderstandings if misinterpreted. The same can be said for the concept of "public responsibility programs". • The only KPI-metric available is extremely poor and, again, it misses the fundamental aspect that in many cases the	The comment regarding targeted outreach being misrepresented is a noted concern in several different parts of the community. However, it is also necessary to engage in targeted outreach in order to get accurate measurements of not just the outreach we are doing, but the level of participation in a certain subset of a region, or within a stakeholder group. The KPI itself is intended to serve as a measurement to find a solid baseline of community and stakeholder engagement, in addition to targeted outreach, and information gathering improvements (meeting registration, and website profile creation). This will enable a better view into what participation looks like outside of the "solid baseline" created by ongoing community participation and growth in those areas alone.

	mere number of actively participating stakeholders is not sufficient to measure the effective empowerment and engagement of any stakeholder. Furthermore, the absolute minimum baseline is missing and makes any future assessment impossible.	
IPC	Strategic Objectives 4 and 5 contain many laudable goals to increase both the quantity and quality of public participation in ICANN. It is important for a broad spectrum of communities, both commercial and non-commercial, to feel as though they can have input into the ICANN process, whether through sustained or periodic participation. To that end, all of the participation mechanisms need to be reviewed, both for their usability and actual influence. It is important to determine whether the issue summaries that are provided are sufficient for meaningful participation in a particular public comment issue, and whether the mechanisms to incorporate the corresponding feedback are indeed functional. For example, decisions scheduled to be made before all public comments have been received, analyzed and responded to suggest a non-functioning influence mechanism. Similarly, metrics such as "number of engagement Reply Comments on Draft 5-Year Operating Plan programs" (strategic goal 1.2) do not get to the heart of public participation, and represent a kind of tautological metric is which by definition easy to achieve.	While directed toward public comment processes, the IPC comments provide some excellent advice for comprehensive consideration of the ICANN participation mechanisms that involve various forms of community input and feedback. As noted by the IPC, reliance on simple number counts will not help the organization to assess improvements to participation. Participation must be useable and influential. The public comment enhancements instituted in January 2015 are only the first step in a broader effort to review, assess and develop comprehensive improvements that will enable effective and sustained improvements to the ability of ICANN decision makers (Board, Working Groups, Drafting Teams, etc.) to solicit, assess and productively incorporate community comments on the work of ICANN. As noted in the Operating Plan document, FY16 will be a period for staff and community collaboration to develop useful measurements and benchmarks.
RySG	Many of Key Performance Indicators (KPIs), i.e., metrics, are simply numbers. For example, for Strategic Goal 1.2 on page 11, the metric is "# of regional engagement strategies by type and status (e.g., development, implementation and maintenance)". In our opinion, numbers	The proposed KPI is intended to be expanded on beyond the completion of projects in the coming FY16. Further refinements to the KPI are pending a review of these comments and community input at ICANN 52. In addition to including project status on community plans, these

	in isolation are not very informative and can be very misleading. This type of metric occurs repeatedly for many of the goals. We recommend that they be qualified further to include more context and clarity. Similarly, there are several metrics that are percents; without some context or comparison to other factors, percents may not be very helpful by themselves. We think such metrics need further definition. In short, "Key Performance Indicators" should include meaningful qualitative measures so that the community can see not only what ICANN does, but also gauge its efficiency and effectiveness.	metrics will be expanded to include measurement of outreach as a broader stakeholder engagement plan that includes all stakeholders in all regions. Qualitative metrics regarding stakeholder participation, and the mechanisms by which they choose to participate can be difficult to measure. As such, we are opting to better qualify the outreach ICANN does in order to reach stakeholders in the regions, and likewise ensure that their needs are getting met by measuring the progress and project management milestones of regional strategies.
RySG	The first metric is: "Stakeholder engagement index (e.g., regional/national participation statistics from attendance at ICANN meetings; participation in working groups and initiatives…)". We believe geographic diversity is equally important in working groups participation so would suggest this metric be amended to read: "Stakeholder engagement index (e.g., regional/national participation statistics from attendance at ICANN meetings and in working groups and initiatives…". initiatives…".he second metric is: "% of ICANN organizational functions performed across ICANN". This metric seems to assume that all ICANN organizational functions should be performed across all ICANN organizations and regions. That does not seem like a reasonable assumption. We do not believe that that is a fair assumption and hence suggest that this metric be reworded with more clarity and specificity.	Geographic diversity can be incorporated into the index as suggested, but there may be variances because the ICANN Global Stakeholder Engagement regions and community-driven regional strategies do not easily match the official "ICANN Regions" for leadership positions and organizational purposes. The second metric is intended to provide a measurement to guide the distribution of ICANN functions across ICANN's hubs and engagement offices. Staff will review the metric and provide an update for the next draft.
RySG	Portfolio 4 is Advice Registry Management. What is the Advice Registry?	The Advice Registry is the registry in which advice provided to ICANN via recommendations from the Advisory Committees is tracked. The Advice Registry is currently being improved. The current

		version can be found here.
RySG	In our opinion, the two proposed metrics are neither **appropriate** nor **adequate** for this important goal (support the evolution of domain name marketplace to be robust, stable and trusted), which involves 11 large portfolios.	ICANN will consider additional metrics to address the other portfolios.
RySG	The first metric reads "# of contractual compliance complaints to ICANN and # of abuse incidents compared to the # of Registrants". It's known that not all "contractual compliance complaints to ICANN" are valid and "abuse incidents" often involve content related or other issues that are not within ICANN's remit. In other words, these numbers are not **reliable** indicators of the health of the unique identifier ecosystem.	ICANN will consider ways to better track and distinguish between valid and invalid abuse complaints and complaints that are within or outside ICANN's remit.
RySG	We commend ICANN for including the second metric (% of GDD Service Level Agreement (SLA) target met). However, there seem to be no specific metrics for the following two portfolios: 5. Contractual Compliance Improvements 6. Contractual Compliance Initiatives	Please note the Compliance function performance against the targets can be found in the Contractual Compliance Update presentations provided at the ICANN Meetings and in the 2014 Contractual Compliance Annual Report to be published early February 2015. Please note compliance metrics established in FY15 to measure compliance functions and performance are now published monthly. ICANN Contractual Compliance requests that the RySG please propose the measures needed with a definition of the measure. Contractual Compliance is not a regulator. The Five-Year Operating Plan includes phasing and annual expected outcomes and deliverables developed based on the current status of GDD building out its services. ICANN commits to measure and report on performance relative to Service Level Agreements, which is envisioned as the logical first phase that can reasonably

		be defined and implemented. Several aspects mentioned in the comment have significant cost implications and ICANN proposes to consider these recommendations in later phases of evolution of GDD Services, based on a structured cost/benefit, Return on Investment type analysis.
RySG	We note ICANN's Draft Five-Year Strategic Plan (FY16-FY20) included "Regular measurement of stakeholders' confidence in the compliance function" and "Regular measurement of compliance function performance" as proposed measures but it appears that no metric is being proposed in the Draft Five-Year Operating Plan. As stated in our previous comments on ICANN's Draft Five-Year Strategic Plan, we again urge ICANN to: • Develop and publish a code of conduct (modelled on best practices of comparable regulators) and performance targets for ICANN's Contractual Compliance function; and • Fund a body (independent of ICANN) to ensure compliance of ICANN's obligations to the contracted parties and conduct annual audits on compliance and GDD operations.	The text "Regular measurement of stakeholders' confidence in the compliance function" and "Regular measurement of compliance function performance" is no longer in the Strategic Plan. The Compliance function performance against the targets can be found in the Contractual Compliance Update presentations provided at the ICANN International Meetings and in the 2014 Contractual Compliance Annual Report to be published early February 2015. Compliance metrics established in FY15 to measure compliance functions and performance are now published monthly. ICANN Contractual Compliance requests that the RySG please propose the measures needed with a definition of the measure. The Five-Year Operating Plan includes phasing and annual expected outcomes and deliverables developed based on the current status of GDD building out its services. ICANN commits to measure and report on performance relative to Service Level Agreements, which is envisioned as the logical first phase that can reasonably be defined and implemented. Several aspects mentioned in the comment have significant cost implications and ICANN proposes to consider these

		recommendations in later phases of evolution of GDD Services, based on a structured cost/benefit, Return on Investment type analysis.
RySG	The metric for this goal says: "# of ICANN decisions and advice (Board, staff and stakeholders) that are rationalized based on common consensus based definition of public interest". We are not confident that there will ever be a 'common consensus based definition of public interest' because the 'public' is extremely diverse with very different interests depending on a multitude of factors. If we are correct, it may be difficult, if not impossible, to ever achieve this metric. Maybe it should be based on something other than a 'common consensus based definition of public interest'.	Thank you for raising the good point of establishing a common consensus based upon common interest. We will take it under consideration on how to achieve this goal.
CDI	ICANN's first strategic objective is: "Evolve and further globalize ICANN." A key success factor of strategic goal 1.3 ("Evolve policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective, and responsive") is listed as: "Decision-making is seen as open, transparent, inclusive and legitimate" (Strategic Plan, p. 10, emphasis added). ICANN should develop an open data portal to improve access to its key data sets. This would support the dependency of "ensuring that improved tools and mechanisms reach and can be accessed by our global stakeholders" (Operating Plan, p. 12). The timeliness of data releases could then be added as a key performance indicator for this goal.	The commenter offers some excellent suggestions for staff to investigate.
CDI	ICANN's second strategic objective is: "Support a healthy, stable, and resilient unique identifier ecosystem." A key success factor of strategic goal 2.3 ("Support the evolution of domain name marketplace to be robust, stable and	The commenter's point is well taken and ICANN commits to work with the community to define a workable set of "open data" practices.

	trusted") is listed as: "Credible and respected industry that is compliant with its responsibilities as demonstrated by open, transparent, and accountable systems, policies, and procedures implemented using best practices" (Strategic Plan, p. 14, emphasis added). Here again, ICANN should adopt open data best practices to ensure that its efforts here are "open, transparent, and accountable." By publishing key data sets about domain name marketplace operations, ICANN can promote trust and stability.	
ALAC	Include SMART implementation metrics in strategic objectives or goals where fit.	Thank you for the comments. We do take the SMART criteria into account.
ALAC	Encourage underrepresented stakeholder groups to engage with ICANN at local, regional, and international levels and to establish metrics that reflect the scope of action.	ICANN continually seeks to engage participants from a broad range of groups, and stakeholders that may be currently underrepresented will change over time. ICANN has recently begun to track stakeholder groups that self-identify during registration for ICANN meetings. Other measures of stakeholder group representation can be included within the overall Stakeholder Engagement Index.
ALAC	Several goals are suggested to be measured by metrics in which the only indicator refers to documents that deal with planning but not with implementation. We therefore recommend that metrics focus not only on planning but also on implementing and that implementation metrics be included in those strategic objectives or goals where fit. We recommend the metrics to be developed based on SMART criteria (i.e. specific, measureable, assignable, realistic, and time-related).	Thank you for the comments. We do take the SMART criteria into account.
NCUC	First, a general comment. While I genuinely like the Metric / Dependency /Phasing design of the Plan, in the future I would like to see more specificity in the Key Performance Indicators (Metrics) and	It should be noted that the nature of most of the KPIs are setting baselines for further refinement and discussion.

	Phasing sections of the Plan. Instead of mentioning the criteria in general terms, specific targeted goals, often numeric in nature, should be indicated. This document should be useful not only as a guide going forward for ICANN staff and management, but should also be purposed for use by the community in evaluating the performance of staff and management. The metrics and phasing text in this document is too vague to allow for its extensive use in this manner.	
NCUC	Although certainly supportive of S.G. 4.1 ("Encourage engagement with the existing Internet governance ecosystem at national, regional and global levels") I question whether the single metric ("number of MOU's with international organizations with mutual recognition of roles with ICANN") in S.G. 4.1 is an exhaustive performance indicator for this S.G. Surely engagement must extend beyond formal institution to institution agreements and should include engagement and participation by community members, ICANN staff and Board in the wider IG world and vice versa. Metrics for this type of engagement should be developed and included in S.G. 4.	We will take your comments into account as we operationalize the Strategic Plan. Additional KPIs may be developed and implemented going forward.

Appendix C: Five-Year Operating Plan Dependencies

Organization	Comment	Response
BC	Strategic Goal 4.3- The dependencies listed appear to belong in the "Phasing" section instead of the "Dependencies" section	We will adjust wording of the dependencies in 4.3 to be clearer.
IPC	P. 18: "Community bandwidth and focus to provide direction and feedback" is listed as a dependency on this page. Why only with regard to financial accountability? Community bandwidth is a dependency for ICANN's success in almost every area –	The commenter correctly notes that community bandwidth is a dependency in other areas. This is a particularly important dependency to address for organizational accountability, technology and operational excellence. Concrete steps include the

	isn't it? Where in the draft plan does ICANN plan to take any concrete steps to conserve and to utilize more efficiently this scarce and dwindling resource?	formation of a Community Engagement and Policy team within ICANN (bridging the Global Stakeholder Engagement team and Policy teams within ICANN, as the groups with the most community facing interactions). This team will be addressing community bandwidth and driving solutions to help utilize this scarce resource efficiently.

Appendix D: Five-Year Operating Plan Phasing

Organization	Comment	Response
IPC	P. 12: The "SO-AC Special Request process" would be eliminated after FY 17. What will replace it? Will these requests be folded into the overall budget process, and if so, how? Or will ICANN simply provide (e.g.) IPC with a "block grant" that it could spend on anything within a menu of possible activities, as we decide would best enhance our effectiveness? Whatever replaces the SO-AC Special Request process will need to be designed and fit for the purpose of significantly increasing concrete ICANN support for the participation of non-contracted stakeholders in the policy development and other work of ICANN. Unless adequately addressed, the huge shortfall in such support will make it impossible for ICANN to achieve many of the other stated goals of its strategic plan. Although ICANN advocates strongly for the multi-stakeholder bottom-up process in its stated goals, its financial commitment toward that end is inadequate to support parity of participation in the process, in particular as to those stakeholders who do not enjoy financial gains from sales of registrations. This is a fundamental structural problem not addressed in the Draft Operating Plan.	The elimination of the "SO/AC special request process" would require that the benefits of carrying out this process are addressed through identified and viable alternative means prior to confirming the elimination. This decision should be evaluated through adequate community consultation and planning of alternative means if relevant. The comment also indicates a "fundamental structural problem" relative to inadequate support of participation, in particular as to those stakeholders who do not enjoy financial gains from sales of registration. Staff believes that the AoC review process provides the opportunity to raise fundamental matters such this one. Separately, as part of the annual budget process, staff is working on developing an SO/AC cost model designed to provide transparency on ICANN's support costs. This information would contribute to a community debate regarding support aiming at improving the effectiveness and value of such support.

ccNSO (SOP WG)	• We suggest this goal be merged with 4.1. • The phasing of this goal is more suited to ICANN coordinating rather than participating in the work. ICANN has a role to be involved, but its mandate is not to be in control of all Internet governance matters.	Thank you for the observation. While the Strategic Plan's goals and objectives are set, so that we cannot merge goals at this time, we appreciate your input and will take it into consideration as we operationalize the plan. ICANN's mission is not to be in control of all Internet Governance matters, nor does it seek to be in control. The goal is to participate in such work in accordance with its mission and within its mandate.
ccNSO (SOP WG)	• The goal seems to be misplaced and it would be rather better positioned under Strategic Objective 3. • There must be a clear link with the work of the Cross Community Working Group (CCWG) on Accountability. Therefore, the development of the work of the CCWG should be listed both as a KPI goal and as a dependency. • The goal phasing is debatable as FY16 includes "propose measurements and benchmarks", but it is not clear what they are about (trust?). We believe that any measurement and benchmark should be regularly reviewed and evaluated, instead of being proposed at the beginning of a five-year timeframe. • The entire description of the goal is too vague and cannot be commented on because of the lack of specific action elements	The assessment of current practices and documentation, planned for FY16, in coordination with the development of the Trust Index, should allow us to provide a more detailed set of measure. This set of measures will include relevant external comparison performance data and process benchmarks.
RySG	In various places throughout the plan, there are references to achieving 'community approval' and 'collaborate with community'. We strongly support those references. (See the Phasing for FY16 for Strategic Goal 2.1 on page 14 as well as FY19 and FY20 Phasing on page 15.) In particular we think that it would be a good idea to collaborate with the	In many instances this has effort has already been undertaken throughout the development of the regional strategic plans. The working groups in each of the regions drafted metrics that have been reported on at various points throughout the year.

	community and 'achieve community approval' on all metrics.	
RySG	Item 1 for the FY18 and the FY19 Phasing refer to implementation and assessment of ATRT3 recommendations. What about implementation and assessment of any ATRT1 and ATRT2 recommendations that may not have been completed at that time? We would like to think that there would not be any, but to our knowledge at the present time, well after the completion of ATRT2, there are still ATRT1 recommendations that have not been implemented.	FY16 includes an assessment of ATRT2 implementation. Should there be a need to carry-over recommendation implementation projects, the operating plan will be adjusted accordingly. While the specific ATRT1 recommendation implementation projects were completed, several were used as stepping-off points for additional improvements and several involve ongoing activity. These efforts were incorporated in various departments' projects and operating procedures.
RySG	For FY17 through FY 20 Phasing, there is mention of publishing white papers. Are these staff produced white papers? Community produced white papers?	The white papers will be produced by staff.
RySG	Item 2 for the Phasing for FY17 – FY 20 say: "Show stable healthy YoY growth in the DN industry". This sounds good but it is not clear what it means. A lot more definition is need for this to be meaningful and measurable.	"Stable" is taken to mean non-disruptive to the general operation of the domain name industry. "Healthy" is taken to mean sustainable and without significant negative impact on the domain name industry ecosystem. The stability and health of the domain name industry can be measured by a variety of metrics and ICANN is in the process of working with the community to reach a consensus on which metrics best measure the health of the domain name industry. The initial KPI for this objective is to identify the metrics and subsequent KPIs will be based on a community consensus as to appropriate values of those metrics over time.
CDI	ICANN's fourth strategic objective is: "Promote ICANN's role and multistakeholder approach." As part of this objective, ICANN has stated "we pledge open, transparent communication" (Strategic Plan, p. 19). ICANN should set a timeline for developing and adopting an open data policy in its Five-Year Operating Plan to make good on its pledge for this strategic objective.	ICANN commits to work with the community to define a workable set of "open data" practices.

ALAC	The document states that “Comprehensive regional engagement plans and strategies covering most ICANN regions” will be established in phase 1 for FY16. While we welcome the elaboration of regional engagement plans, we would like to emphasize that these plans should be made for all ICANN regions as opposed to most as stated in the document. We therefore recommend reviewing the wording in order to accommodate the suggested wording and be able to cover all ICANN regions.	The Regional Engagement strategies are community-driven. The current planning anticipates that not all regions will create a Regional Engagement Strategy, but that regional plans and strategies do roll up into comprehensive Global Stakeholder Engagement planning to support ICANN’s engagement efforts.
NCUC	I am very concerned about the indication in the FY 17 Phasing of S.G. 1.3 that SO/AC special request processes are to be discontinued. At a time when the ICANN community is being asked to do more and more, a reduced financial commitment by ICANN to the community is unwise. Are there plans to replace the special request process with other programs of financial assistance? If so, what are they?	The key factor that would permit the phase-out of the community special request process by FY17 is that improvements to the core budget development process would render an additional "special" process obsolete. To date, the special request process has been an imperfect system that creates substantial community workload without an apparent corresponding return. Nevertheless, the special request process has identified some significant pilot efforts that have helped expand community support mechanisms and the FY17 aspiration will be dependent on an adequate substitute. The elimination of the "SO/AC special request process" would require that the benefits of carrying out this process are addressed through identified and viable alternative means prior to confirming the elimination. This decision should be evaluated through adequate community consultation and planning of alternative means if relevant.

Appendix E: Financial Model

Organization	Comment	Response
BC	The "Expenses for new gTLD expenses" assumption may can be written another way for better understanding.	We will rewrite the description to be more explicit: "Expenses for the new gTLD program:

		divided between evaluation costs, historical development costs repayment, hard-to-predict costs (including risks). Evaluation costs to be split into direct costs by phase (initial evaluation, extended evaluation, other phases), and overheads (new gTLD team costs, administration costs, costs allocation)."
ccNSO (SOP WG)	Due to limited correlation with the financial information, the SOP WG finds it difficult to assess whether the proposed activities in the plan are affordable or, alternatively, would result in unacceptable increases or decreases to ICANN's income and expenditure.	Staff acknowledges that, under its current proposed format, the Five-Year Operating Plan lacks of resources quantification associated to goals/objectives/portfolios. The current financial modeling relies on the incremental year-on-year variance of expenses from an actual basis, and establishes an equivalence of resources to expenses at the company level. It is expected that, as ICANN's Organizational, Technological, and Operational Excellence programs further progress, the organization will reach the ability to define action plans with sufficient level of details allowing to associate quantified resource requirements, across all portfolios, in a cross functional fashion, and for the entire period.
ccNSO (SOP WG)	With no financial information as yet, it is difficult to assess whether the proposed activities in the plan are affordable or would result in unacceptable increases or decreases to ICANN's income and expenditure. The ccNSO SOP WG has previously recommended that there be iteration of the ICANN Strategic Plan and Operating Plan in conjunction with the budget.	Staff plans to provide a Five-Year financial model that supports the Five-Year Operating plan at the total level, as per the suggested principles, assumptions and content description provided in the draft Five-Year Operating Plan submitted for comment. The model will include the described financial data for the 5 years of the plan, as well as for the previous and current year, for comparison purposes. It is intended that the Five-Year Operating plan is updated on an annual basis, and can be used so that its first year's data becomes the foundation of the assumptions for the next year's budgeting exercise.
ccNSO (SOP WG)	The Five-Year Financial Model helps understanding of ICANN's approach to the	The comment on page 31 that states "the financial model is not fixed for a long time"

	management of revenues and expenses. We would appreciate further clarity on the third bullet point on page 31 that states "The Financial Model is not fixed for a long time".	implies that the financial model, being the result of assumptions, should be revised on a recurring basis, be amended as is deemed appropriate at each revision, in correlation with the changes of assumptions. Even though it covers a Five-Year period, it is as valid as the underlying assumptions that defines it remain constant.
ccNSO (SOP WG)	We acknowledge that the assessment – hopefully undertaken at the highest level considering the current available information at multiple levels – of the market and its trends forms the basis of the Financial Model, but we would encourage ICANN to broaden the set of worldwide data to be taken into account in order to have an even better perception of the possible evolution of the domain name environment.	The scope of the market data envisaged to be used should be the one corresponding to the drivers of the revenues collected by ICANN. This scope is the generic worldwide domain name market. It is expected that data relative the country code domain name markets would provide valuable additional information for the planning purposes.
ccNSO (SOP WG)	Risks and opportunities as mentioned in the Strategic Plan are missing in the Financial Model section of the Operating Plan. It would have been worth including a more expanded and further structured list of risks to determine possible actions to cope with each of them.	Paragraph 4.c. of the Financial Model section refers to Risks and Opportunities. We will ensure that the list of Risks and Opportunities included in the financial model include at minimum how those risks from the Strategic Plan that have a financial impact are addressed.
ccNSO (SOP WG)	The lack of long-term budget figures does not help the understanding of how carefully ICANN is taking into account different financial scenarios. It would be desirable to have a perception of how ICANN plans to address possible budget decreases. • It is not clear whether the indices proposed in the KPI seek to measure the overall goal or a sub-section of it. On face value, they appear to not measure financial accountability – a measure of stakeholder perception of ICANN's financial accountability may be a helpful addition.	The five-year financial model is aiming at simulating different scenarios as is suggested in this comment. We will consider adding a KPI relative to ICANN financial accountability, which will require extensive stakeholder consultation to ensure relevance and meaning.
RySG	Item 3 for FY17 Phasing says, "Conduct final SO-AC Special request process." Is	This comment does refer to the special budget request process that has been

	this referring to the special budget request process that has been happening for the past few years? If so, why is it the final one? If not, to what does this refer?	happening for the past few years. The Operating Plan is suggesting that this exception process is progressively discontinued and replaced. See also response to the comment from IPC on the same subject.
RySG	We very much commend the budget process improvements in the Phasing for FY16 and the review of those in FY17.	Thank you for the comment on the Draft Five-Year Operating Plan.
RySG	We strongly support the Principles on page 33 but would add one more: cost control stewardship.	The principles enunciated on page 33 only refer to principles that the financial model should be based upon. Further discussion would probably be useful to ensure accurate understanding of the intent and relevance of the suggestion to financial modeling.

Appendix F: Other Issues

Organization	Comment	Response
BC	The BC applauds the initial work on the 5 Year Operating Plan and believes it is directionally consistent with the approved 5 Year Strategic Plan. However, an effective Operating Plan must be consistent in presenting thoughtful and measureable KPIs and the activity detail that can be executed to achieve them. The BC looks forward to reviewing further drafts of the Operating Plan that present the level of detail currently offered in its very well written Strategic Objective 1.	Thank you for the comment on the Draft Five-Year Operating Plan.
BC	Regarding, Phasing FY16 #1, there appear to be two typos - should read "create and publish" revised Accountability and Ethical Framework, and develop "baseline metrics to measure impact" on organization.	Thank you for your input. We will make the corrections.
BC	It appears that all points address new stakeholders. Is it possible that there are no points within this topic that address empowerment of current stakeholders?	Some of the Development and Public Responsibility department (DPRD) programs will focus on empowering current stakeholders.
IPC	Pp. 14-15: Over the next 5 years, the	The "Identifier registration data

	"Identifier registration data access/update system" will be developed, approved, prototyped, revised, beta tested and put into production. What is it? A search of the ICANN site suggests this phrase occurs nowhere but in this document. Please explain this system, and how if at all it relates to the current (Whois) or future registration data system for gTLDs.	access/update system" describes the development and deployment of a unified system to look up registration data associated with the identifiers ICANN coordinates. It is highly likely this system will be based upon the RDAP protocol recently standardized by the IETF WEIRDS working group. Over time, it is anticipated the system deployed by ICANN will replace the existing "Whois" system used by the gTLDs.
IPC	Pp. 23-25: There seems to be a lot of overlap among the three strategic goals discussed on these pages. For example, the FY 18 entry for goal 4.1 and 4.2 (pages 23 and 24) is almost verbatim identical. Can ICANN more clearly distinguish among these goals?	Thank you for the careful reading of the goals. Objective 4 is to promote ICANN's role and the Multi-stakeholder approach. The strategic goals are subsets of that work that may involve ICANN participating with and supporting other Internet Governance organizations and initiatives or encouraging their participation within ICANN. Goal 4.1 is an outward facing goal about engagement with other organizations. Goal 4.2 is about encouraging participation of other entities within ICANN - it is inward facing about support of ICANN and its multi-stakeholder model through those that participate in ICANN. The FY18 phasing is where we hope to be and what steps we would be taking on these different initiatives at that stage - the actions or information gathered might be the same but the purpose to which it is directed is different.
USCC	The U.S. Chamber of Commerce appreciates the opportunity to provide comments on ICANN's five-year operating plan (Plan). While we understand the desire to increase participation in ICANN, we note that a number of areas in the Plan seem to indicate an intention to expand the scope of ICANN's mission. We urge clarifications to the Plan to unambiguously affirm any ICANN activities remain firmly bounded by its core mission "to coordinate, at the overall level, the global Internet's systems of unique identifiers,	The intent of the Five-Year Operating Plan is to more effectively stage the work of ICANN, not to expand ICANN's mission. The objective and the goals supporting the objective are to ensure support for ICANN's core mission and participation in the multistakeholder model that ICANN uses to fulfill its mission "to coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems."

	and in particular to ensure the stable and secure operation of the Internet's unique identifier systems."	
USCC	In several areas of the Plan (notably objective 1.3 and throughout objective 5) there is a mention of "policy development" or serving as a "steward of the public interest." Both of these phrases can be interpreted exceptionally broadly. ICANN has an important role to play in enforcing its own governing agreements including the Registrar Accreditation Agreement. We are also concerned about recent indications of ICANN attempting to take on new roles and responsibilities outside of its core mission, including efforts to launch initiatives unrelated to the management of the names and numbering system. ICANN plays an integral role in the global multistakeholder ecosystem of Internet governance, but there are many issues and, therefore stakeholders, that fall well outside the scope of ICANN's core mission. It is a mistake to attempt to turn ICANN into or to use ICANN resources to solve the many Internet Governance related concerns nor should ICANN attempt to insert itself into every Internet Governance issue stemming from Internet-related activity. The Plan should affirm that ICANN's role in policy development is only directly and tangibly related to policies that will strengthen its core technical functions.	Staff will collaborate with the community to better define the term "public interest" to assure consistency with ICANN's mission and Bylaws mandates. It is specifically noted in the Objective 5 dependencies that the Community, Board and Executive need to be involved in a dialogue regarding the appropriate public interest definitions and framework to hold as an ICANN standard.
ccNSO (SOP WG)	The working group recommends that the Five-Year Strategic Plan, Five-Year Operating Plan and Annual Operating Plan continue to be presented to the community in the same format to facilitate their reading and ensure fast and appropriate community feedback.	Thank you for your comments. They are currently aligned and we have no plans to changes the format of either document.
ccNSO (SOP WG)	The ccNSO SOP WG believes that the Operating Plan and Budget should not serve to "complement" the approved long-	The commenter's point is well taken. The Five-Year Operating Plan, although aligned with the organization strategy, it has a

	term Strategic Plan, but should be both the translation of high-level objectives and goals into measurable actions to be implemented to achieve the Strategy Plan objectives and goals, and the key guidelines for the ICANN staff and the community to steer subsequent work, assess its progress, eventually implement corrective measures and accurately evaluate any achievement.	functional focus. The KPIs will be updated annually to reflect how actual operational objectives are being met. Additionally the Five Year Operating Plan is one element of our planning process and requires collaborative effort from all aspects of the ICANN community.
ccNSO (SOP WG)	We are pleased to see the IANA functions included in the Operating Plan, but feel that further iteration would be helpful.	Please clarify where iteration would be helpful.
ccNSO (SOP WG)	Several objectives and goals seem to be duplicated. To ensure full clarity of the objectives and overall goals, as well as to improve the general flow of the document, it would be desirable – if not necessary in some cases – to merge several goals (e.g. Strategic Goal 4.1 and 4.3 where it seems more logical that any encouragement to further engage in the existing Internet governance ecosystem is accompanied by actions to monitor and participate in the ecosystem evolution, unless the meaning of Strategic Goal 4.1 is "passive" engagement).	We appreciate your input. The Strategic Plan's goals and objectives, which were developed through an extensive, collaborative, bottom-up multi-stakeholder and multilingual process, have been adopted by the Board and are final. As such, we cannot merge goals at this time. As we operationalize the Strategic Plan (including goals 4.1 and 4.3) we will factor your input into our work. In the case of 4.1 is about ICANN's participation in existing Internet Governance structures and the various portfolios that support that work while 4.3 reflects ICANN's commitment to work with the community an the evolution of those structures and initiatives to address needs and concerns raised by the community.
ccNSO (SOP WG)	The working group recommends that the Five-Year Strategic Plan, Five-Year Operating Plan and Annual Operating Plan continue to be presented to the community in the same format and outlook to facilitate their reading and ensure fast and appropriate feedback.	They are currently aligned and we have no plans to change the format of either document. Please explain what changes you believe are necessary and why.
	It is not clear how this goal is distinct from goal 1.2. We recommend that these two goals should either be unified or made more distinct. • It is not clear how the ICANN regional	The goal in 1.1 is distinct from 1.2. 1.1 refers to an overall measurement of ICANN's global stakeholder engagement. 1.2 is focused on efforts toward regional engagement and communication with stakeholders. The regional engagement

	initiatives are included within this goal and our view is that some are lacking momentum and progress. • We suggest adding a KPI that measures stakeholder satisfaction with ICANN's regionalization and globalization by region and the early establishment of a baseline in order to measure progress made. The survey for this could also provide the opportunity for any service related feedback. • We assume that the second proposed KPI '% of ICANN organisational functions performed across ICANN' is missing the word 'hubs' at the end. • We also suggest adding a KPI that measures changes in the current number and geographic hub distribution of ICANN staff at all levels (by function and location) with a baseline and target FY20 number and distribution. Yearly targets for this KPI should also be added. • Neither of the two proposed KPIs measure the 'efficient, effective and responsive' elements of the strategic goal and we recommend these should be added. • The phasing text, particularly in relation to regional communications strategies, appears to miss the opportunity for the establishment of a baseline measure of stakeholder awareness and engagement for each region and then the measurement of improvements year-on-year. Our strong view is that this would be a better measure compared to the measuring progress of the strategy which seems to be suggested e.g. 'FY17 Sustain implementation of communications strategy'.	strategies are part of 1.2. The suggestion to add a KPI measuring stakeholder satisfaction is included in the overall stakeholder engagement index for 1.1. The second proposed KPI is missing the word 'hubs' at the end and this will be corrected. The suggested KPI for measuring changes in number and geographic distribution of staff will be considered, but putting targets on this measurement may create negative pressures for hiring and staff retention. This should be discussed further. The phasing test is a reasonable suggestion.

ccNSO (SOP WG)	To ensure a truly bottom-up approach, we believe that ICANN should strengthen and refine the consultation mechanisms with its stakeholders to understand what the community expectations really are before properly addressing them in the plan.	ICANN is constantly seeking improvements in community consultations in order to reach a wide spectrum of views during the development of proposals. This suggestion is a good one and ICANN efforts to strengthen consultation mechanisms are being developed, for example with the improvement of the Public Comment process and implementation of ATRT2 Recommendations. There is a measurement, in the current internal planning process that allows for the tracking and measurement of stakeholder engagement, each Strategic Plan for the region - which will eventually be published - includes outreach to each major stakeholder group in at least once per quarter in different parts of the region.
ccNSO (SOP WG)	We recommend a change in the title of this goal. We believe the current government engagement in ICANN processes is clear, as it is the commitment of most of them not only to support the global Internet ecosystem, but to highlight the various communities interests in the ecosystem. • The only Key Performance Indicator – "Increase the number of GAC members (level of actual active participation and level of representation at ICANN meetings)" is very superficial and mixes two elements of government engagement that are the mere attendance of meetings and the proactive participation. • The entire goal phasing is again linked to a very simplistic increase in numbers (of governmental entities, of frameworks for partnerships) with little if no attention paid to increasing the quality of engagement. A well developed survey of the governmental constituency should be introduced in the phasing stage, or even at	Thank you for the observation. The Strategic Plan's goals and objectives, which were developed through an extensive, collaborative, bottom-up multi-stakeholder and multilingual process, have been adopted by the Board and are final. As such, we cannot rewrite or rename goals at this time, we appreciate your input and will take it into consideration as we operationalize the plan.

	the beginning, to investigate the areas where ICANN should work more with governments. • Certain statements are wrongly based on the assumption that the ICANN community share the same views on certain Internet matters. For instance, what does ICANN define as a "positive outcome of the ITU plenipot"?	
IPC	Strategic Objective 5 runs the risk of circular logic. At long last the “global public interest” in the context of ICANN’s mission should be defined, so that further efforts surrounding the global public interest are bound by that definition. The global public interest should be defined around ICANN’s mission, to act as a set of a guide rails when determining whether ICANN’s actions are in the global public interest.	The definition was developed and proposed by the Strategy Panel on Public Responsibility framework. The Panel defined the global public interest of the Internet as ensuring that the Internet “becomes, and continues to be, healthy, open, and accessible across the globe”. Recognizing that this is a broad concept that permeates all of ICANN’s work, the Panel determined that for practical and operational reasons “public responsibility” work should be streamlined through one department tasked with serving the community, broadening it, and facilitating participation through specific and measurable tracks. Building on the work of the Panel and community requests, the DPRD is an operational department focused on public responsibility work centered on the priorities and focus areas identified through the regional engagement strategies and through community engagement with the Panel. The DPRD functions in collaboration with regional VPs, other ICANN departments, external organizations, and through engagement with Governments, ccTLD admins, and GAC members in developing and underdeveloped countries who serve as key entry points to these regions so that we can assist in strengthening IG structures

		leading to eventual handover to SO/ACs and the wider community."
RySG	Some descriptions in the plan refer to programs, processes, etc. that in our view are not commonly known. When in doubt, such programs should be explained in a footnote or some other manner. We cite specific examples in the detailed comments that follow.	Thank you for the feedback. ICANN has developed an extensive learning framework and we will link to this in the next version of the Plan.
RySG	Item 4 for FY16 Phasing says, "Evolve Generic Names Supporting Organization (GNSO) Secretariat Pilot program into permanent support status." What is the 'Secretariat Pilot program'?	In response to community requests over the past several years, staff developed and deployed a pilot secretariat support program for the non-contract party communities of the GNSO - see action and budget description here. This pilot program (launched in August 2014) is designed to provide in-kind support to help the impacted GNSO communities with contracted part-time (12 hours per week) administrative support (e.g., call management, meeting support, membership database, election support, etc.) and is designed to collect metrics to assess the effectiveness of those services both in terms of delivery and execution. Based on the assessments and metrics collected, determinations will be made whether to continue the program, expand it to other communities or cease the pilot effort.
RySG	This objective is titled, "Promote ICANN's role and multistakeholder approach". But most of the objectives seem to be government related. We certainly recognize that governments and IGOs are important in the multistakeholder approach and we understand the challenges of getting governments to fully participate in multistakeholder processes, but they are just of part of the community. Should this goal be renamed "Promote the role of governments and IGOs in the multistakeholder approach"? If so, what	Other stakeholders are addressed in the Regional Engagement metrics in Strategic Objective 2. It is important during this time of focus on ICANN's accountability and coordination that ICANN have metrics to measure IGO & government participation in ICANN. This does not diminish the participation of other stakeholders and we believe these are captured in metrics in other areas of the Operational Plan.

	about ICANN's role and the multistakeholder approach with regard to other stakeholders? It would be unfortunate to become so government focused that we sacrifice some of the value of the multistakeholder approach.	
CDI	One important step that ICANN should take to operationalize these commitments to openness and transparency in its Five-Year Operating Plan is to establish an open data policy and develop an open data action plan. In addition, it should develop an open data portal to provide convenient and accessible access to key data sets.	The commenter's point is well taken and ICANN commits to work with the community to define a workable set of "open data" practices.
CDI	Open data commitments build upon existing freedom of information policies by establishing "open by default" rules for organizations. Developing an open data action plan for ICANN, would allow stakeholders the ability to prioritize high-value data sets for release, ensure data sets are released in a timely and complete manner, and ensure machine-readability so that data sets can be analyzed and visualized. All of these efforts would help improve the transparency of ICANN operations and bring ICANN's transparency efforts in line with other leading global organizations.	The commenter's point is well taken and ICANN commits to work with the community to define a workable set of "open data" practices. Existing structured data sets include the IANA registries, and zone file publication systems, and L-root performance data. Planned structured data deployments include a future requirement for Registrars to deploy RDAP.
CDI	ICANN's fifth strategic objective is: "Develop and implement a global public interest framework bounded by ICANN's mission." A key success factor of strategic goal 5.2 is "Promote ethics, transparency and accountability across the ICANN community" (Strategic Plan, p. 26, emphasis added). Once again, a clear commitment to open data would move ICANN in the right direction towards realizing this goal. Notably, ICANN's strategic plan recognizes the potential harm to its fundamental legitimacy and authority if the organization fails to fully embrace transparency. The two strategic	Thank you for your input. We would appreciate more information about your suggestion.

	risks associated with this goal are “harm to ICANN legitimacy due to failure to comply with accountability and transparency processes” and “failure to achieve international agreement on the evolution of the accountability and transparency obligations.” Establishing an open data policy, action plan, and portal would help more thoroughly embed the values of openness and transparency within datainnovation.org ICANN’s culture and enable stakeholders and the broader Internet community greater insight into ICANN activities.	
CDI	All of the key performance indicators that are part of the ICANN Five-Year Operating Plan should be published as open data. Publishing these metrics would allow the community greater insight into ICANN’s performance, promote accountability, and allow stakeholders to build tools to analyze and visualize ICANN performance.	Thank you for the comment. The vision is to measure the organization performance and present the information in an accessible way. The intent in publishing metrics is to present data and causal relationships that have already been identified so they can be monitored without requiring effort or interactivity. The purpose will be to allow people to rapidly monitor relevant and critical information at a glance.
ALAC	Include an assessment of the possible impact that the IANA stewardship transition may have in ICANN’s operations.	Thank you for your comment. As the IANA Functions' Stewardship Transition and related efforts progress, assessment of impact will be factored into ICANN's operating plan and addressed in within Strategic Objectives 2, 4 & 5.
ALAC	Change the wording to reflect the vision that stakeholder engagement is to be encouraged by the wide ICANN community, not just by the staff.	As staff is part of the community, this vision can that stakeholder engagement is to be encouraged by the wider ICANN community can be incorporated.
ALAC	Change the wording “most” to “all” in the sentence “Comprehensive regional engagement plans and strategies covering most ICANN regions.”	In addition to all regions being supported by organizational engagement plans, also continue to provide support for the development of comprehensive Community driven regional engagement plans for all regions that express interest in development of a regional strategic plan.
ALAC	We are concerned that the document does not take into account the possible	Thank you for your comment. As noted above, the IANA Functions' Stewardship

	impact, if any, that the IANA stewardship transition may have in ICANN's operations. Therefore, we recommend that an assessment be made of the possible impact that the IANA stewardship transition may have in ICANN's operations.	Transition and related efforts progress, assessment of impact will be factored into ICANN's operating plan and addressed in within Strategic Objectives 2, 4 & 5.
ALAC	The document seems to suggest that stakeholder engagement is to be encouraged by staff only. In this regard, our vision is that stakeholder engagement must be a task carried out by the community, including staff, but not just by staff. We therefore recommend that the wording in the document refers to the wider ICANN community, in general, and not only to staff.	As noted above, this change has been incorporated.
ALAC	We have repeatedly recommended that awareness and participation fostering efforts must be done at local, regional and international levels, especially with underrepresented stakeholders, regardless of their economic strength or development. We therefore recommend that engagement is encouraged with these communities and at these three levels, establishing metrics that reflect the scope of action not only with international organizations but also with regional and local entities.	ICANN's engagement with regional and local entities is reflected in the GSE regional engagement strategies and plans.
NCUC	I applaud strategic goal 1.1 (S.G. 1.1), to "further globalize and regionalize ICANN functions." Yet I am concerned that the only mention of languages is a commitment to making "meeting sessions available in multiple languages; languages / scripts represented in ICANN community participation". ICANN needs to do better.	The support provided related to multilingualism does not only refer to interpreting and languages / scripts represented in ICANN community participation. Language Services is currently providing the following support: • Translation of announcements, blogs, press releases, and almost all published documents. • Interpretation during ICANN meetings of all GAC sessions, all sessions in main ballroom, all ALAC and RALOS sessions, and some

		other sessions when requested. • Teleconference interpretation in all UN languages + PT for any call. Transcription of all sessions during ICANN meetings, in all the supported languages as well as transcriptions of all teleconference calls, in all the supported languages. • Scribing during ICANN meetings of all sessions in the main ballroom, all GAC sessions, and all ICANN Board sessions. • Additionally, scribing, interpretation and transcription support is also provided during special meetings (i.e. ICG), regional meetings, roadshows, Board retreats and workshops, etc.
NCUC	I'm not sure what entirely is meant by the later part of this commitment. If it is a commitment for ICANN to assist community groups such as SO's and AC's to better operate in multiple language I applaud this offering. No longer should or can ICANN afford to operate at any level solely in theEnglish language. Specifics as to the programmatic assistance ICANN intends to provide the community would be most welcome. I am concerned that there is no specific mention of any aspect of languages in the phasing section of S.G. 1.1. Languages themselves are not even mentioned in S.G. 1.2 (regional engagement), which itself must be an error of omission.	Supporting ICANN's regions through regional engagement (engaging stakeholders in their own language will vary by region and expertise). There is no omission of language services in 1.2 as this is part of engaging stakeholders regionally and captured in the Stakeholder Engagement Index in 1.1.
NCUC	I am also concerned about the term "multiple languages". Simply translating meetings and materials into the six official United Nations languages is not sufficient. There are ten languages in the world with over 100 million native speakers; 60 languages with over 20 million native speakers. If ICANN truly wants to globalize and regionalize ICANN functions it needs	This comment is noted and will be taken under consideration by the Language Services team. It should be noted that ICANN has expanded its work on language localization through pilot projects such as in Korea and will continue to look at ways to communicate effectively with regional stakeholders. Language localization efforts are being piloted in the Regions.

	to commit to produce basic materials in as many languages as possible and to expand intelligently the number of languages it offers more extensive services, such as real time translation of meetings, in.	
NCUC	One can not participate in ICANN if one can not understand any of what is going on. “One World / One Internet” is only a phrase unless and until ICANN’s communications and participatory strategies encompass a truly global linguistic commitment. The Finnish speaking teenager in Ivalo, the Begali speaking grandma in Kolkata and the Korean speaking teacher in Yanji all should have online access to basic ICANN documents in their native tongue.	The Office of the CTO is investigating technologies that will permit translation of various ICANN communication methodologies into a larger spectrum of languages. We anticipate an experiment/non-production pilot project making use of some of these technologies in FY16.
NCUC	In the S.G. 3.3 portfolio mention is made of ICANN Technical University. This institution is mentioned nowhere else in this document nor is indexed by the major search engines. Please educate myself and the community on the nature of our own I.T.U. and it’s proposed role in “developing a globally diverse culture of expertise” (S.G. 3.3).	The ICANN Technical University is an initiative to provide formal training on the technologies related to the Internet's system of unique identifiers that ICANN coordinates. The intent of the I. T. U. will be to improve community members' understanding of the technical aspects of the Internet so that the implications and constraints of those technologies, and ICANN's role in the coordination of the identifiers used by those technologies, can be more fully appreciated. This initiative is still in the planning stage and more details will be published as soon as they are available.
NCUC	While certainly supporting the participation of more governments within the GAC (sole metric for S.G. 4.2), I do question why this stakeholder is receiving such special consideration in the five year draft plan as opposed to other stakeholders. Indeed, much of Strategic Objective 4 (“Promote ICANN’s Role and Multistakeholder Approach) is government and IGO centric to the exclusion of all other stakeholders. This certainly is not true	Goal 4.2 is specifically about clarifying the role of governments in ICANN and working with them to strengthen their commitment to supporting the global Internet ecosystem. Because the two portfolios that roll up to the goal are Support GAC Engagement and Engagement with Governments and IGOs increasing the number of GAC members was deemed an appropriate KPI for this goal. The KPIs for the other goals within strategic objective 4 include governments but are not limited to

	multistakeholderism, a concept ICANN lauds in philosophy but often has trouble implementing in practice.	governments and IGOs. The efforts to encourage government participation in ICANN and their endorsement of multistatkeholder models for Internet Governance Organizations at national, regional and international levels are part of the effort to encourage participation from all stakeholders and provide governments with successful models that are not solely multilateral.
NCUC	I would suggest that ICANN needs to commit itself to helping strengthen the commitment of all identifiable stakeholder groups to the global Internet ecosystem, and not to give special consideration to a group, governments, which are already privileged both in the ICANN governance structure and elsewhere.	Thank you for the important observation. ICANN is committed to engaging all stakeholder groups. The regional outreach and engagement strategies are initiatives facilitated by the Global Stakeholder Engagement department that reflect the priorities of the communities identified by all sectors of the community not just government. That work is reflected in KPIs reported in the ICANN dashboards.
NCUC	S.G. 5.1 commits ICANN to act as a "steward of the public interest" as part of Strategic Objective 5: "Develop and Implement a Global Public Interest Framework Bounded By ICANN's Mission". The sole metric of S.G. 5.1 refers to a "common consensus based definition of public interest". Does such a definition currently exist? If so, what is it? If not, how does ICANN propose to develop one?	The definition was developed and proposed by the Strategy Panel on Public Responsibility framework. The Panel defined the global public interest of the Internet as ensuring that the Internet "becomes, and continues to be, healthy, open, and accessible across the globe". Recognizing that this is a broad concept that permeates all of ICANN's work, the Panel determined that for practical and operational reasons "public responsibility" work should be streamlined through one department tasked with serving the community, broadening it, and facilitating participation through specific and measurable tracks. Building on the work of the Panel and community requests, the DPRD is an operational department focused on public responsibility work centered on the priorities and focus areas identified through the regional engagement strategies and through community

		engagement with the Panel. The DPRD functions in collaboration with regional VPs, other ICANN departments, external organizations, and through engagement with Governments, ccTLD admins, and GAC members in developing and underdeveloped countries who serve as key entry points to these regions so that we can assist in strengthening IG structures leading to eventual handover to SO/ACs and the wider community.

ICANN Draft Five-Year Operating Plan

Version2:

FY2016- FY2020

Introduction

ICANN developed a multi-year planning framework based on input from the ICANN community during the development of the Strategic Plan. At ICANN 51 opening remarks by Fadi Chehadé (ICANN President and CEO) included an overview of the Planning Process (link: https://www.icann.org/presidents-corner). The framework includes the following three elements:

I. ***Five-Year Strategic Plan FY16-FY20*** – Developed with community input, to be updated every five years, and includes vision & mission, strategic objectives, goals, key success factors, and strategic risks.

II. ***Five-Year Operating Plan*** FY16-FY20 – Developed with community input and to be updated annually to include: five-year planning calendar; strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios; and five-year financial model.

III. ***Annual Operating Plan & Budget*** – Based and derived from the ICANN Five-Year Operating Plan and annual community input, it will include portfolios of activities that support the achievement of the goals and objectives with corresponding key performance indicators, dependencies, budgets, and projects.

The Five-Year Strategic Plan for fiscal years 2016 through 2020 (FY16-FY20) was approved by the Board and published on 14 October 2014.

Version 1 of the ***Annual Operating Plan & Budget*** was reviewed by the Board on 16 October 2014 and published for Public Comment from 11 November 2014 to 4 January 2015. Version 2 of the ***Annual Operating Plan & Budget*** includes modifications based on public comments, feedback received at ICANN 52 from community interactions, and management review. The Five-Year Operating Plan helps establish and communicate the roadmap to operationalize ICANN's menu of work.

ICANN acknowledges that stakeholder bandwidth and support continues to be a key dependency to meeting the goals set forth in ICANN's portfolio of work.

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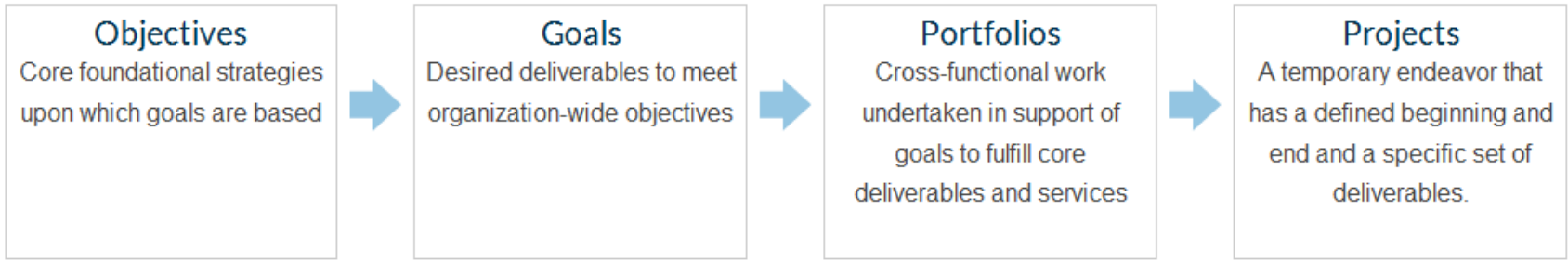
Reference and Notes

1. The ICANN community (community) encompasses ICANN's stakeholders—including its Supporting Organizations, Advisory Committees, and Nominating Committee—the Board of Directors, and staff. ICANN's multistakeholder model, therefore, defines its community.

2. ICANN Portfolio Management System. Below is a high-level composite of ICANN's work structure.



3. Definition of terms can be found in the ICANN online glossary

4. Key Performance Indicators (KPIs) may vary over time as they are refined. Typically KPI's start with:

   $ = Value of
   # = Number of
   % = Percentage of

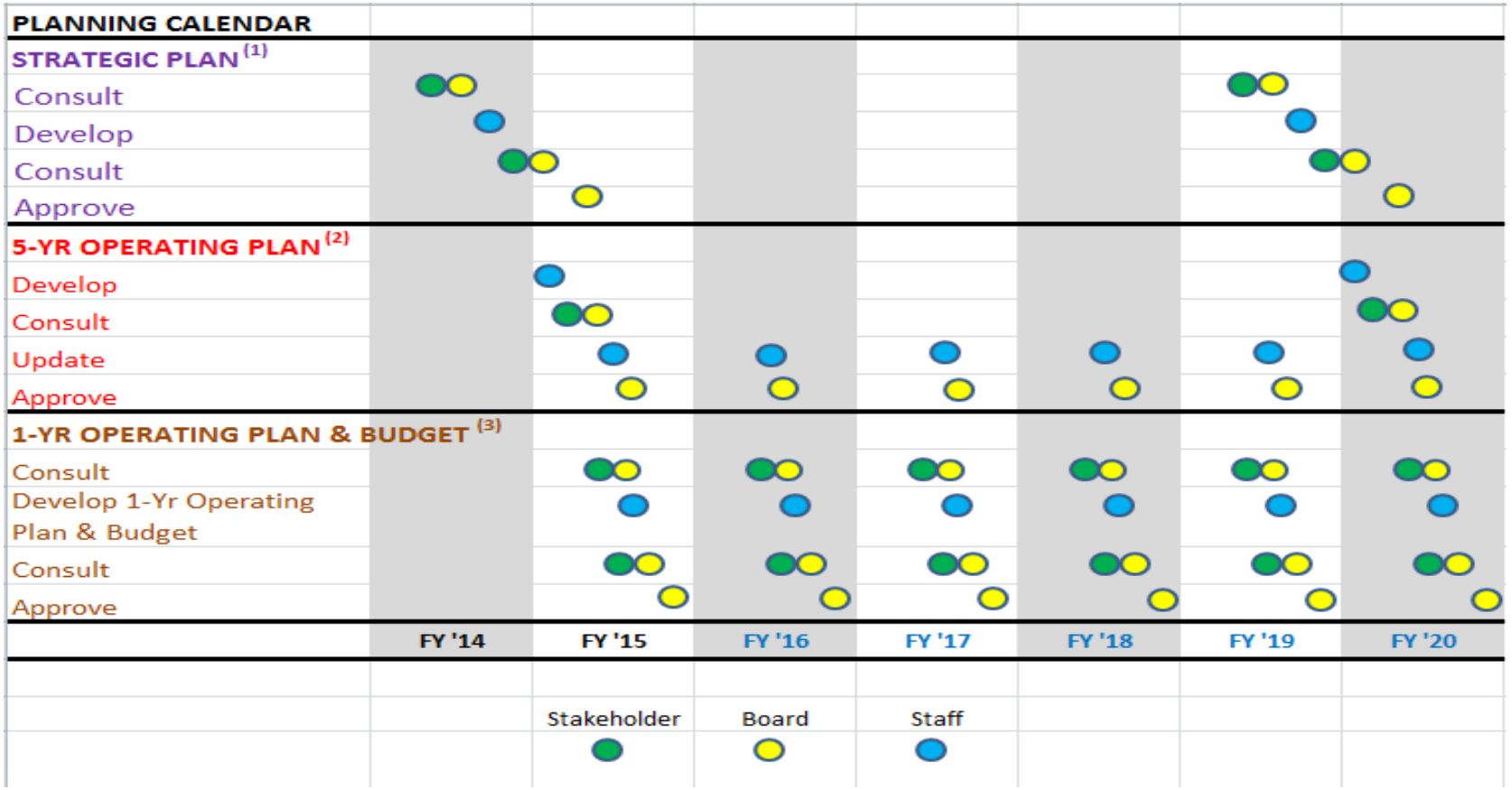
5. Throughout the Five-Year Operating Plan, portfolios contain various projects that contribute to other goals (such as Portfolios in Goal 5.3 support Goal 3.3 as well).

6. Goal-level risks are stated in the Five-Year Strategic Plan.

Planning – Calendar, Community Roles and Responsibilities

The planning process requires the collaborative effort of all aspects of the ICANN community, which encompasses ICANN's stakeholders—including its Supporting Organizations, Advisory Committees, and Nominating Committee—the Board of Directors, and staff, and is part of the bottom-up multi-stakeholder process.

The calendar below depicts the involvement of the ICANN community and the timeline of the planning process.



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(1) The next Strategic Planning effort for FY21 – FY25 will start in FY19.

(2) The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events at the time would impact the remaining years in the then current planning cycle. The current **Five-Year Operating Plan calendar** is available on page 9.

(3) The Five-Year Strategic Plan for FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan & Budget.

The charts below propose a starting point for defining how ICANN community – Board, staff and stakeholders– will be involved in the planning process. It includes frequency of activities, supporting elements as well as roles and responsibilities.

Strategic Plan Process:

			Community Roles and Responsibilities		
Strategic Plan[1]	**Frequency**	**Supporting Elements[2]**	**Staff**	**Board**	**Stakeholders**
1. Consult	Once every 5 years[3]	Strategic Plan Kick-off --Accomplishments from last planning cycle --Environmental analysis, including SWOT[4]		Consult on key challenges and opportunities and areas of strategic importance	Consult on key challenges and opportunities and areas of strategic importance
2. Develop	Once every 5 years	Draft Strategic Plan: --Accomplishments from last planning cycle --Environmental analysis --Vision, Mission --Areas of strategic importance	Develop		
3. Consult	Once every 5 years	Public comment and other engagements		Consult	Consult
4. Approve	Once every 5 years	Final Strategic Plan --same as above, plus: --Strategic Goals --Key Success Factors (outcomes) --Strategic Risks	Update based on consultations and long-term planning work	Approve	

[1] Five-Year Strategic Plan for FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan & Budget. The next Strategic Planning effort for FY21 – FY25 will start in FY19.
[2] All documents will be posted and publically available.
[3] The planning cycle will begin approximately 24 months prior to the start of the next planning cycle (FY21–FY25), to allow sufficient time for key planning steps.
[4] An important aspect of strategic planning is the environmental analysis, including assessment of Strengths and Weaknesses (internally-focused) and Opportunities and Threats (externally-focused).

Five-Year Operating Plan Process:

			Community Roles and Responsibilities		
Five - Year Operating Plan[5]	**Frequency**	**Supporting Elements**	**Staff**	**Board**	**Stakeholders**
1. Develop	Once every 5 years	1. Planning Calendar 2. Five-Year Financial Model 3. Draft Summary of Five-Year Operating Plan -- Strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios	Develop		
4. Consult	Once every 5 years	Public comment and other engagements		Consult	Consult
5. Update	Annually	Annual Reporting --Performance as compared to plan for prior fiscal year, starting with FY2016 --Explanation of variances --Required changes to Five-Year Operating Plan[6] if warranted	Update based on consultations		
6. Approve	Annually	Final Summary Five-Year Operating Plan		Approve	

[5] The Five-Year Strategic Plan for FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan and Budget. The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events at the time will impact the remaining years in the then current planning cycle.

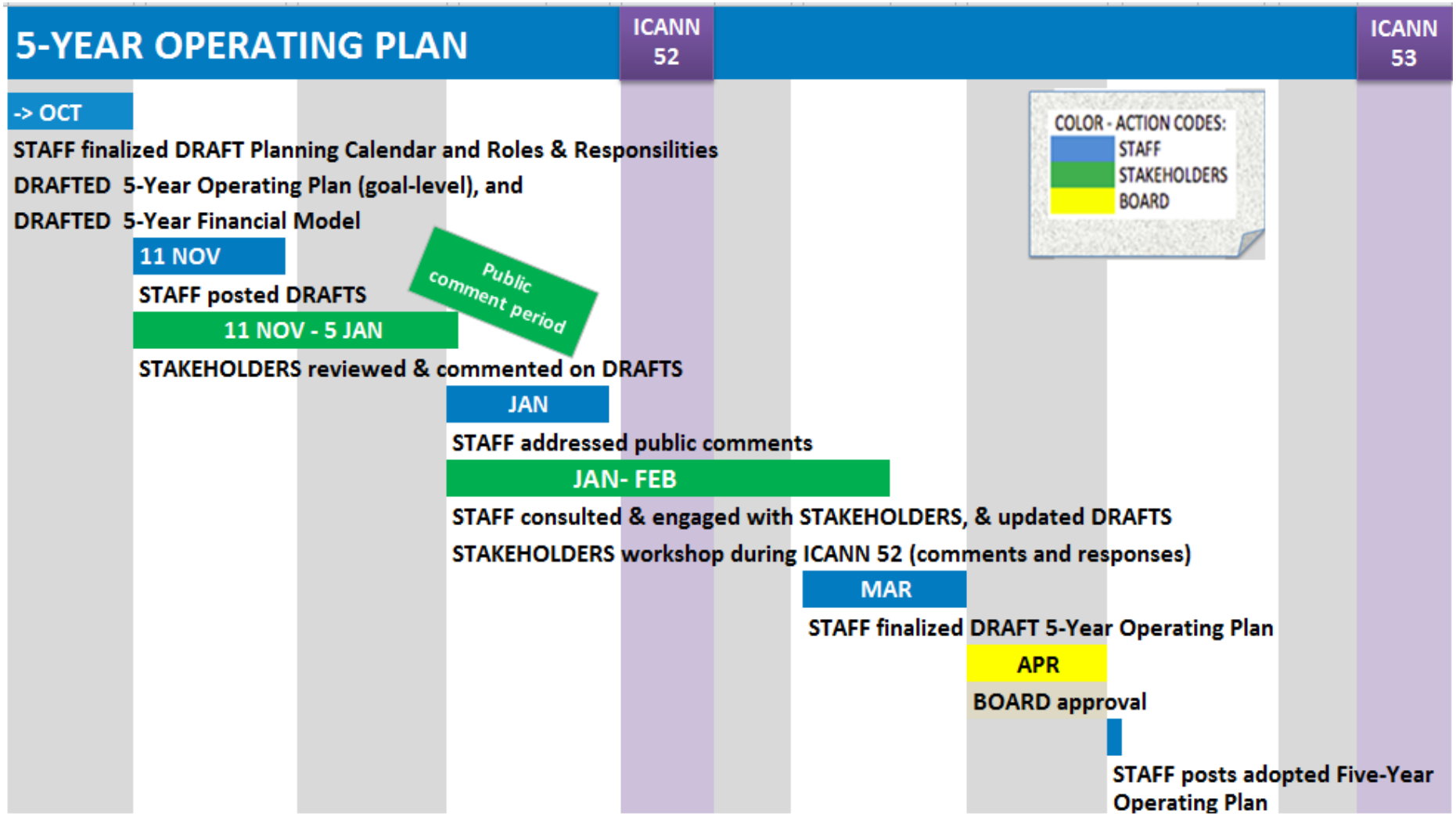
[6] The Five-Year Operating Plan will be updated, when appropriate, for the remaining years within the five-year cycle. No changes to the Five-Year Strategic Plan for FY16 – FY20 are anticipated, unless a critically significant event or development is observed, such that it would have a significant impact on the strategy for the remainder of the five-year cycle.

Annual Operating Plan & Budget Process:

			Community Roles and Responsibilities		
One Year Operating Plan & Budget[7]	**Frequency**	**Supporting Elements**	**Staff**	**Board**	**Stakeholders**
1. Consult	Annually	Draft Revenue Model Draft list of Initiatives Engagements		Consult	Consult
2. Develop One-Year Operating Plan and Budget	Annually	Draft One-Year Operating Plan Draft One-Year Budget	Develop/update based on Five-Year Operating Plan, consultations and recent history of events		
3. Consult	Annually	Public comment and other engagements		Consult	Consult
4. Approve	Annually	Final One-Year Operating Plan & Budget	Update based on consultations	Approve	

[7] Strategic Plan for FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan & Budget.

ICANN Five–Year Operating Plan Current Calendar:



Operating Plan – Strategic Goal Level

Strategic Objective 1 - Evolve and further **globalize** ICANN.

Strategic Goal 1.1 Further **globalize and regionalize** ICANN functions.

Portfolios:

1. Raising Stakeholder Awareness of ICANN Worldwide
2. Engagement Planning

Key Performance Indicators (Metrics):

- Stakeholder engagement index (e.g., regional/national participation statistics from attendance at ICANN meetings; participation in working groups and initiatives; # of documents, meeting sessions available in multiple languages; languages/scripts represented in ICANN community participation; geographic spread of media coverage of ICANN; tracking expansion of the Fellowship program (by region/language and by involvement in ICANN initiatives)
- % of ICANN organizational functions performed across ICANN

Dependencies:

1. Sufficient funding for media tracking and communications activities to understand success in globalizing ICANN
2. Communications needs may increase/Global Stakeholder Engagement (GSE) focus may shift in event of additional round of new gTLDs during the Five-Year Operating Plan

Phasing:

FY16	1. Integrate global and regional communications strategies. 2. Comprehensive regional engagement plans and strategies covering most ICANN regions. 3. Further distribute ICANN functions at hub offices.
FY17	1. Sustain implementation of communications strategy. 2. Wide awareness raising and educational effort if supporting ICANN with another new gTLD round. 3. Examine how hubs and engagement offices are supporting ICANN globalization.
FY18	1. Reevaluate communications strategy, refresh social media tools and reevaluate ROI from existing platforms. 2. Conduct mapping of community to regional engagement; implement recommendations resulting from examination of ICANN hub office and engagement site support of ICANN globalization.
FY19	1. Implement integrated global and regional communications strategies in support of ICANN strategies. 2. Implement improvements for global stakeholder engagement (GSE) based on community mapping in FY18.
FY20	1. Conduct holistic evaluation of ongoing integrated global and regional communications strategies. 2. Survey community on GSE engagement and support of community engagement at high level. 3. Implement improvements on review of GSE web, CRM tools from 2019.

Strategic Goal 1.2 Bring ICANN to the world by creating a balanced and proactive approach to **regional engagement** with stakeholders.

Portfolios:
1. Engage Stakeholders Regionally
2. Broadcast and Engage with Global Stakeholders

Key Performance Indicators (Metrics):
- # of regional engagement strategies by type and status (e.g., development, implementation and maintenance)

Dependencies:
1. Retaining expertise to support ICANN's efforts across the hubs and regions in multiple languages for a diverse range of stakeholders

Phasing:

FY16	1. Implement global stakeholder engagement (GSE) web tools for supporting stakeholder engagement activities at regional and local level. 2. Examine effectiveness of regional strategies launched in FY13-FY14.
FY17	1. Increase # of community participants in regional strategies and programs from FY15 levels. 2. Complete first cycle activities under regional engagement strategies and regional plan.
FY18	1. Conduct mapping of community to regional engagement. 2. Kick off new regional engagement strategy cycle across community-driven regional strategies begun in FY14. 3. Enhance online ICANN meeting hubs to contribute and increase engagement during meetings. 4. Review effectiveness of ICANN web tools for supporting globalization and regionalization for community.
FY19	1. Implement improvements for GSE based on community mapping in FY18. 2. Increase participation of active participants across technical community, civil society, governments and business stakeholders.
FY20	1. ICANN participants cover all regions. 2. Achieve participation from all sectors of community and increase in contributions to ICANN policy development. 3. Survey community on GSE engagement and support of community engagement at high level. 4. Implement improvements on review of GSE web, customer relationship management (CRM) tools from 2019.

Strategic Goal 1.3 Evolve **policy development and governance processes, structures and meetings** to be more accountable, inclusive, efficient, effective and responsive.

Portfolios:

1. Support Policy Development, Policy Related and Advisory Activities
2. Reinforce Stakeholder Effectiveness, Collaboration and Communication Capabilities
3. Structural Organizational Reviews
4. Evolving Multistakeholder Model

Key Performance Indicators (Metrics):

- # (Number) of participants in the policy development and governance processes by type, status and location
- Quality of service index (e.g., “active” participants in policy development calls and meetings; # of publication subscribers/readers in "print" and on web; # of public comments submitted in ICANN Public Forums; Twitter Subscribers & Tweets; etc.)

Dependencies:

1. Making available IT/Online Community Services (OCS) an integral part of ensuring that improved tools and mechanisms reach and can be accessed by our global stakeholders
2. Dedicated communications strategies and services will be required to ensure successful outcomes
3. The legal team may be called upon to provide inputs and guidance in the policy and decision-making process

Phasing:

FY16	1. Complete a comprehensive inventory of all resources and capabilities that ICANN provides to the current stakeholder communities. 2. Complete a comprehensive assessment of delivery of all resources and capabilities that are provided to the stakeholders. 3. Analyze, evaluate and plan for how to balance resource abilities and capabilities among stakeholders. 4. Evolve Generic Names Supporting Organization *(*GNSO) Secretariat Pilot program into permanent support status. 5. Assess implementation of Accountability and Transparency Review Team 2 (ATRT2) Recommendation 7, in preparation for ATRT3.
FY17	1. Complete assessment of language services capabilities for proficiency, accuracy consistency and reliability. 2. Review ICANN’s Language Services Policy. 3. Conduct final Supporting Organization and Advisory Committee special request process. 4. Assess effectiveness and value of telecoms vendors.
FY18	1. Implement adopted ATRT3 recommendations.

	2. Complete a comprehensive assessment of delivery of all resources and capabilities that are provided to the stakeholders (every two years). 3. Analyze, evaluate and plan for how to balance resource abilities and capabilities among stakeholders (every two years). 4. Assess progress toward five-year goal – toward wide use of improved tools and mechanisms for global participation and representation, including the use of remote participation to engage stakeholders from emerging regions.
FY19	1. Assess implementation of adopted ATRT3 recommendations in preparation for ATRT4.
FY20	1. Stakeholders and staff collaboratively using observed wide use of improved tools and mechanisms for global participation and representation, including the use of remote participation to engage stakeholders from emerging regions.

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Strategic Goal 2.1 Foster and coordinate a healthy, secure, **stable, and resilient** identifier ecosystem.

Portfolios:
1. IANA Department Operations
2. Root Zone Update System Enhancement
3. Root Server System Evolution
4. Advice Registry Management
5. Security, Stability and Resiliency of Internet Identifiers

Key Performance Indicators (Metrics):
- % of Global Domains Divisions (GDD) Service Level Targets met across multiple departments including GDD Operations, Customer Service and IANA

Dependencies:
1. IT department support
2. Budget availability

Phasing:

FY16	1. Develop and achieve community approval of all domain name system (DNS)/Unique identifiers health metrics. 2. Develop and achieve community approval of the stability and resiliency exercises specified. 3. Develop and achieve community approval of the ICANN legitimacy survey designed. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Develop and achieve community approval of the Identifier registration data access/update system requirements specified.
FY17	1. All DNS/Unique identifiers health metrics V1 implemented and baselines posted. 2. Stability and resiliency exercises implemented and baselines posted. 3. ICANN legitimacy survey implemented and baseline posted. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Prototype identifier registration data access/update system developed and tested with the community.
FY18	1. All DNS/Unique identifiers health metrics V1 results reviewed and improvements to metrics as well as functions are recommended. 2. Stability and resiliency exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY).

	5. Identifier registration data access/update system requirements revised and approved by the community.
FY19	1. All DNS/Unique identifiers health metrics V2 implemented and baselines posted. 2. Stability and resiliency exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4 Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Revised identifier registration data access/update system implemented and beta tested by the community.
FY20	1. All DNS/Unique identifiers health functions recommendations implemented and V2 metrics are reviewed for progress. 2. Stability and resiliency exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Revised identifier registration data access/update system put into production.

Strategic Goal 2.2 Proactively plan for changes in the **use of unique identifiers**, and develop **technology roadmaps** to help guide ICANN activities.

Portfolios:

1. WHOIS Core Function/ Service & Improvements
2. Identifier Evolution
3. Technical Experts Group

Key Performance Indicators (Metrics):

- Technical Reputation Index will measure ICANN's reputation for technical excellence in both the ICANN and broader Internet communities.

Dependencies:

1. Budget availability

Phasing:

FY16	1. Department fully staffed. 2. Draft technology roadmap developed. 3. Relationships with protocol/technology development organizations enhanced. 4. Ratio of registered domain names to active IP addresses base lined. 5. Ratio of registered domain names to internet users regionally and globally base lined.
FY17	1. Technology roadmap approved by community. 2. At least five identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY18	1. Implementation of year one of technology roadmap done. 2. At least two additional identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY19	1. Implementation of year two of technology roadmap done. 2. Additional identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY20	1. Review of technology roadmap and recommendations received. 2. Implementation of year three of technology roadmap done. 3. Additional identifier technology-related white papers are published. 4. Demonstrate growth in ratios in developing region.

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Goal 2.3 Support the evolution of the domain name marketplace to be **robust, stable and trusted.**

Portfolios:

1. GDD Strategic Programs
2. GDD Operations
3. Public Safety Registrations
4. Registrant Interest Representation
5. Contractual Compliance Functions
6. Contractual Compliance Initiatives & Improvements
7. GDD Online Services Product Management
8. GDD Technical Services
9. Internationalized Domain Names
10. New gTLD Program
11. Outreach and Relationship Management with Existing and new Registry, Registrar Community

Key Performance Indicators (Metrics):

- Progress towards developing a Technical Reputation Index. (This Index is intended to reflect the trust and confidence of the Internet community in the Domain Name Marketplace.)
- % Service Level Targets (SLTs) met (including contractual compliance & IANA SLAs re: names)

Dependencies:

1. IT department support
2. Budget availability

Phasing:

FY16	1. Multistakeholder satisfaction survey baseline completed. 2. Baseline of Domain Name industry segments defined.
FY17	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy year over year (YoY) growth in the DN industry. 3. Finish the current round of the New gTLD program and have agreement on the start of next round.
FY18	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the domain name industry.
FY19	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the domain name industry.
FY20	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the domain name industry.

Strategic Objective 3 - Advance **organizational, technological** and **operational excellence**.

Goal 3.1 Ensure ICANN's **long-term financial accountability, stability and sustainability.**

Portfolios:

1. Strategic and Operating Planning
2. Business Excellence and Business Intelligence
3. Finance and Procurement
4. Enterprise Risk Management
5. Support Operations

Key Performance Indicators (Metrics):

- Financial accountability, stability & sustainability indices (composite index of ratios and metrics) including but not limited to:

- Actual to budget reserve fund balance & utilization, and financial performance metrics,
- Internal control performance indicators
- % project completion indices (with emphasis on major projects)
- % comparisons of actual to target succession plan readiness
- % comparisons of actual to target enterprise risk management roadmap achievements

- On-time delivery index of the ICANN Planning process (includes: ICANN Five-Year Strategic Plan for FY16-FY20, Five-Year Operating Plan, Annual Operating Plan & Budget, achievements and progress reporting).

Dependencies:

1. Budget availability
2. IT system implementation roadmap enabling efficiency & advancement in analytics, metric tracking/ reporting/ review, process improvement implementation, and mitigation assessment & implementation
3. Community bandwidth and focus to provide direction and feedback

Phasing:

FY16	1. Refine the FY15 model – financial framework, roadmap, targets and metrics - with target to achieve within three years the foundation for Key Success Factors (KSFs) (outcome) supported by adequate system advancement in place. 2. Align with budget availability and IT system implementation roadmap. 3. Review and obtain approval by Board, staff and stakeholders.
FY17	1. Achieve financial roadmap targets.

	2. Review operational processes for improvements. 3. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY18	1. Achieve the foundation for KSFs (outcome) supported by adequate system advancement in place. 2. Continue to improve and achieve elevated target performance levels as per roadmap. 3. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY19	1. Continue to improve and achieve elevated target performance levels as per roadmap. 2. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY20	1. Complete roadmap as planned. 2. Reassess and plan for future years.

Goal 3.2 Ensure structured **coordination of ICANN's technical resources.**

Portfolios:
1. Cyber Security
2. IT Infrastructure and Service Scaling

Key Performance Indicators (Metrics):
- % of global IT infrastructure uptime (scaling from 99.9% in FY 2016 to 99.999 % in 2020 for top tier services)

Dependencies:
1. Budget availability

Phasing:

FY16	1. Develop and socialize a suite of uptime metrics for IT Services. 2. Define, divide and socialize IT services into a three-tier classification. 3. Define, socialize and adopt a baseline Lean Process Capability metric for IANA functions. 4. Measure and record a baseline for the IANA functions. 5. Define, develop and socialize a metric for on-time, on-budget IT projects delivery.
FY17	1. Measure and record a baseline for IT Services uptime by tier. 2. Measure and compare metric for the IANA functions against baseline for YoY improvement. 3. Report on metric for on-time, on-budget IT projects delivery.
FY18	1. Drive IT Services uptime for Tier 1 towards 99.99% availability. 2. Measure and compare metric for the IANA functions against baseline for YoY improvement. 3. Report on metric for on-time, on-budget IT projects delivery, driving to improvement YoY on performance.
FY19	1. Drive IT Services uptime for Tier 1 to 99.999% availability. 2. Drive uptime for Tier 2 towards 99.99% availability. 3. Measure and compare metric for the IANA functions against baseline for YoY improvement. 4. Report on metric for on-time, on-budget IT projects delivery, driving to improvement YoY on performance.
FY20	1. Maintain IT Services uptime for Tier 1 to 99.999% availability. 2. Maintain uptime for Tier 2 to 99.99% availability or better. 3. Drive uptime for Tier 3 towards 99.9% availability or better. 4. Measure and compare metric for the IANA functions against baseline for YoY improvement. 5. Report on metric for on-time, on-budget IT project delivery, driving to improvement YoY on performance.

Strategic Objective 3 - Advance **organizational, technological** and **operational excellence.**

Goal 3.3 Develop a globally diverse **culture of knowledge and expertise** available to ICANN's Board, staff and stakeholders.

Portfolios:
1. Business Excellence applying EFQM methodology
2. Talent Management
3. ICANN Technical University

Key Performance Indicators (Metrics):
- % of achievement in comparison to best practice benchmark metrics of global diverse culture, and knowledge levels of Board, staff and stakeholders
- % of completion - actual to target implementation milestones of global development programs to advance the knowledge and expertise of successors, key staff, all staff, Board and stakeholders

Dependencies:
1. Budget availability
2. IT system implementation roadmap enabling efficiency & advancement in analytics, metric tracking/reporting/review, process improvement implementation, and mitigation assessment & implementation
3. Community bandwidth and focus to provide direction and feedback

Phasing:

FY16	1. Build on the FY15 achievements related to this goal KSFs (outcome). 2. Complete first internal European Foundation for Quality Management (EFQM) radar evaluation & assessment of key areas of focus, identify gaps and developed mitigation/ improvement roadmap. 3. Identify benchmark organizations and derive key benchmarking metrics.
FY17	1. Key areas of focus - a. Develop and perform regular reporting of performance metrics against key benchmarking metrics. b. Create visibility of gaps to benchmarks and develop mitigation roadmap. c. Complete gap mitigation.
FY18	1. Key areas of focus - a. Complete EFQM assessment/audit. b. Close gaps by the mitigation methods.

	2. Second tier focus areas - a. Complete internal EFQM assessment. b. Identify gaps. c. Develop mitigation/improvement roadmap
FY19	1. Second tier focus areas - a. Develop and perform regular reporting of performance metrics against benchmarking metrics. b. Create visibility of gaps to benchmarks and develop mitigation roadmap. c. Complete gap mitigation.
FY20	1. Second tier focus areas - a. Complete EFQM assessment/audit. b. Close gaps by the mitigation methods. 2. Achieve five-year EFQM roadmap. 3. Develop and implement continuous refinement plan.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.1 Encourage engagement with the existing Internet governance ecosystem at national, regional and global levels.

Portfolios:

1. Coordination of ICANN Participation in Internet Governance (IG)
2. Build Stronger Partnerships with Internet Organizations and Initiatives

Key Performance Indicators (Metrics):

- # of cooperation agreements or formal recognitions (such as Memorandums of Understanding (MOUs)) with international organizations with mutual recognition of roles with ICANN

Dependencies:

1. Successful NTIA IANA functions stewardship transition
2. Revision of MOUs to more clearly recognize ICANN's role
3. Completion of a mapping exercise in FY15 to establish baseline % participation rates
4. Completion of a mapping exercise in FY15 to establish baseline measure of # of countries with multistakeholder model IG structures

Phasing:

FY16	1. Increase % participation rates from documented baseline established in FY15. 2. Increase # of demonstration projects in the regions reflecting collaboration with organizations active in the IG ecosystem.
FY17	1. Increase % participation rates documented as baseline established in FY16. 2. Well-functioning and global acceptance by stakeholders of the post NTIA IANA functions stewardship transition, as reflected in feedback from stakeholders.
FY18	1. Third year review of strategy and mapping exercises. 2. Evolution of global and regional work plans to reflect outcome of review.
FY19	1. Increase from baseline participation rates documented as baseline established in FY18.
FY20	1. Strong fully structured working relationships with organizations and entities active in the IG following a successful IANA stewardship transition.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.2 Clarify the role of governments in ICANN and work with them to strengthen their commitment to supporting the global Internet ecosystem.

Portfolios:
1. Support GAC Engagement
2. Engagement with Governments and IGOs

Key Performance Indicators (Metrics):
- Increase # of GAC members (level of actual active participation and level of representation at ICANN meetings)

Dependencies:
1. Positive outcome of the ITU Plenipot-14
2. UN General Assembly discussions in December 2014 and the WSIS 2015 processes

Phasing:

FY16	1. Updated government engagement strategy is reflected in the work plan for each region. 2. Baseline determination completed to map existing entities within the Internet governance (IG) ecosystem and their posture toward ICANN and the multistakeholder model.
FY17	1. Increase the # of governmental entities actively participating in ICANN. 2. Increase the # of frameworks for cooperation and in the number of multistakeholder IG approaches adopted.
FY18	1. Third year review of strategy. 2. Revise global and regional work plans to reflect outcome of strategy review.
FY19	1. Increase # of governmental entities actively participating in ICANN. 2. Increase # of frameworks for partnership and in the number of multistakeholder IG approaches adopted.
FY20	1. Enhanced relationships with governments that encourage them to support the adoption of the multistakeholder IG approaches on national, regional and global levels.

Strategic Goal 4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder **Internet governance ecosystem** that addresses Internet issues.

Portfolios:

1. Support Internet Governance (IG) Ecosystem Advancement

Key Performance Indicators (Metrics):

- # of governments and other stakeholders willing to have a national multistakeholder distributed IG approach

Dependencies:

1. Completion of FY15 base line mapping of organizations participating in the IG ecosystem
2. Revision of MOU agreements to include clearer language endorsing multistakeholder distributed IG approaches
3. Completion of FY15 baseline mapping of national and regional multistakeholder IG approaches

Phasing:

FY16	1. Increase in # of cooperation agreements with respective Internet organizations and regional and national multistakeholder IG approaches over baseline established in FY 2015. 2. Increase # national IG multistakeholder approaches over baseline established in 2015.
FY17	1. Increase in # of cooperation agreements with respective Internet organizations and regional and national multistakeholder IG approaches over baseline established in FY16. 2. Identification of potential best practices among national and regional multistakeholder IG approaches to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.
FY18	1. Year three review of the goals and delivery strategy for those goals. a. Evolution and improvement of global engagement work plan based upon completed review. b. Increase in # of projects and work reflecting collaboration with respective Internet organizations over baseline established in FY17. c. Identification of potential best practices among national and regional multistakeholder IG approaches to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.
FY19	1. Revise global strategy and goals reflected in regional strategies and work plans. 2. Increase in # of projects and work reflecting collaboration with respective Internet organizations over baseline established in FY18.
FY20	1. ICANN involvement, consistent with its mission and within its mandate, in a full implementation of a distributed trusted fully inclusive multistakeholder IG ecosystem; perception that technical and non-technical IG issues are successfully addressed using multistakeholder model.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.4 Promote role clarity and establish mechanisms to increase trust within the ecosystem rooted in the public interest.

Portfolios:

1. Strategic Initiatives

Key Performance Indicators (Metrics):

- Develop a framework that generates institutional confidence in ICANN and builds trust over time
  --Assemble and refine Accountability-related KPIs as a means of measuring ICANN's accountability
  --Implement means of measuring long-range progress

Dependencies:

1. External: ICANN community
2. Internal: Policy, GSE, Communications and Legal (in the context of the Board)
3. Touch points with Board, staff and stakeholders

Phasing:

FY16	1. Assess current practices and documentation. 2. Assemble and refine Accountability-related KPIs, in line with Accountability Framework proposed by One World Trust in response to recommendations of Accountability and Transparency Review Teams to implement a means of measuring ICANN's accountability. 3. Identify and propose best practices. 4. Propose measurements and benchmarks.
FY17	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting. 3. Implement means of measuring long-range progress.
FY18	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting.
FY19	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting.
FY20	1. Assess and adjust plan and practices as needed.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

Strategic Goal 5.1 Act as a **steward of the public interest**.

Portfolios:
1. Legal Advisory Function
2. Public Interest Decision-Making
3. Legal Internal Support
4. Support ICANN Board

Key Performance Indicators (Metrics):
- # of ICANN decisions and advice (Board, staff and stakeholders) that are rationalized based on common consensus based definition of public interest

Dependencies:
1. Community, Board and Executive involvement in the dialogue regarding the public interest definitions and framework to hold as an ICANN standard

Phasing:

FY16	1. Create Framework for ICANN Supporting Organizations and Advisory Committee to assist them in assessing how their actions are aligned to the public interest.
FY17	1. Measure and baseline the % of actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY18	1. Increase from the baseline the % actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY19	1. Continue to increase on the % actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY20	1. Reach goal of all material actions including a consideration of decision-making and how rationales are including the public interest assessments as part of decision-making.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

Strategic Goal 5.2 Promote **ethics, transparency and accountability** across the ICANN community.

Portfolios:

1. Affirmation of Commitments (AoC) Accountability & Transparency Review
2. AoC Whois Policy Review
3. AoC SSR Review
4. AoC Competition, Consumer Trust & Consumer Choice Review
5. Accountability and Transparency Mechanisms
6. Conflicts of Interest and Organizational Ethics
7. IANA Functions Stewardship Transition & Enhancing ICANN Accountability

Key Performance Indicators (Metrics):

- Public interest framework index (e.g., DIDP and correspondence posted on time, compliance with the conflict of interest policy and compliance with the Board Code of Conduct)

Dependencies:

1. Stakeholder Community, Board and Executive agreement on a clear, actionable Accountability and Ethical Framework

Phasing:

FY16	1. Create and publish revised Accountability and Ethical Framework and develop baseline metrics to measure to demonstrate impact on organization.
FY17	1. Measure against the baseline metrics developed in FY16 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements. Measure and baseline the % of actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY18	1. Meet increased metrics developed in FY16-FY17 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements.
FY19	1. Meet increased metrics developed in FY16-FY18 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements.
FY20	1. Reach five year goals in acceptance and impact on organization set out in the Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements. 3. Continue to review for improvements and enhancements.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

Strategic Goal 5.3 Empower current and new stakeholders to fully participate in ICANN activities**.**

Portfolios:

1. Strengthening Development and Public Responsibility Department
2. Participation in Global Internet Cooperation and Development
3. Supporting Education and Academic Outreach
4. Supporting the Next Generation

Key Performance Indicators (Metrics):

- # of stakeholders participating in public responsibility programs

Dependencies:

1. Clear understanding of the definition in relation to ICANN's mandate and mission
2. Revenue to support efforts
3. Engagement and support both with and for other ICANN internal departments
4. SO/AC buy-in and support for approach
5. Working relationships with Governments in developing and underdeveloped regions as key points of access

Phasing:

FY16	1. Establish engagement baseline for under-represented countries and communities and other underrepresented groups and address critical engagement gaps.
FY17	1. Increase access, knowledge, and capability of priority groups through goal efforts through fully operational Development and Public Responsibility Department (DPRD).
FY18	1. Continue improvement of increased access, knowledge, and capability of target audiences and consolidation of regional strategies.
FY19	1. Continue improvement of increased access, knowledge, and capability of target audiences.
FY20	1. Assess efforts and impact on target audiences and plan for evolution of operations to continue to address evolving community needs.

Five-Year Financial Model

Introduction

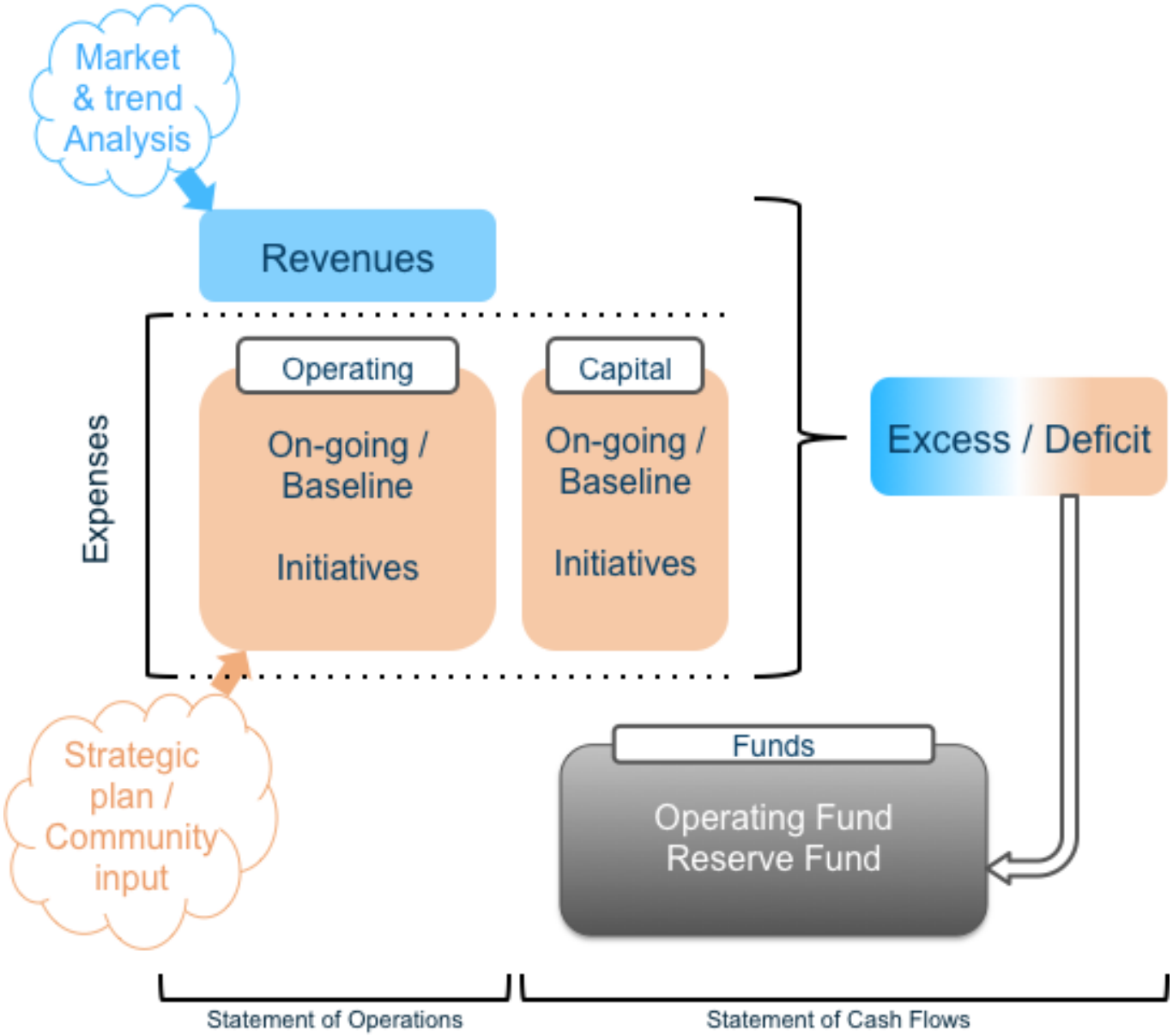
The financial model provides a long-term perspective on ICANN's high-level revenue and expenses trends. It is a forward looking perspective based on assumptions.

The benefit of building such a model is to raise strategic questions, suggest possible trends, and to provide a tool for management to plan organizational activities. As events and activities unfold, adjustments may become necessary and will naturally impact the five-year financial model.

The financial model is not:

- the result of a detailed budget-like exercise
- a public position statement
- fixed for a long time

1. Approach to Five-Year Financial Model



2. Principles:

The five-year financial model should:

a. Reflect a conservative approach.
b. Assume that incoming funds should equal or exceed outgoing funds.
c. Assume that the level of outgoing funds reflects the costs of the resources required to achieve the strategic and operating plans.
d. Include an assumption on maintaining the appropriate level of cash reserve.
e. Be developed and communicated with clear assumptions.
f. Provide the sensitivity of fluctuations (e.g., scenarios).
g. Define aggregates (envelopes), not itemized components.

3. Assumptions:

a. Revenue Assumptions:

- Market and historical trends impacting the evolution of registration volumes, separately for historical Top Level Domains (TLDs) (previous to the current round) and for new TLDs.
- For new TLDs, registration volumes exceeding the billing threshold for the registry transaction-based fees.
- Number of active TLDs (delegated in the root), including resulting from a subsequent generic TLD (gTLD) application round.
- Fee per unit.
- Contributions received from country code TLD (ccTLD) operators and Regional Internet Registries.
- Sponsorship contribution received.
- Revenues for the New gTLD Program: duration, and level of application refunds.

b. Expenses Assumptions:

- Year-on-year variation of operating and capital expenses.
- Non-cash expenses (e.g., depreciation of fixed assets).
- Special/large initiatives and related expenses (e.g., USG IANA stewardship transition, ATRT2, Whois, infrastructure expansion/improvements,…).
- Expenses for the New gTLD Program divided between evaluation costs, historical development costs repayment, and hard-to-predict costs (including risks). Evaluation costs to be split into direct costs by phase (initial evaluation, extended evaluation, other phases), and overhead (new gTLD team costs, administration costs, and costs allocation).

4. Contents of the financial model

a. Financial statements
   - Statement of Operations ("P&L")
   - Statement of Cash flows

b. Assumptions, including scenarios

c. Risks and Opportunities

ICANN

ICANN Draft Five-Year Operating Plan
(Redline of V1 to V2)

Version2:

FY2016- FY2020

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Introduction

ICANN ~~has drafted~~developed a multi-year planning framework based on input from the ICANN community during the development of the Strategic Plan. At ICANN 51 opening remarks by Fadi Chehadé (ICANN President and CEO) included an overview of the Planning Process (link: https://www.icann.org/presidents-corner). The framework includes the following three elements:

I. ***Five-Year Strategic Plan ~~-~~FY16-FY20 –*** Developed with community input, to be updated every five years, and includes vision & mission, strategic objectives, goals, key success factors, and strategic risks.

II. ***Five-Year Operating Plan*** FY16-FY20 – Developed with community input and to be updated annually to include: five-year planning calendar~~;~~, strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios; and five-year financial model.

III. ***Annual Operating Plan ~~and~~& Budget*** – ~~To be~~Based and derived ~~based on~~from the ICANN Five-Year Operating Plan and annual community input ~~annually, and~~, it will include~~: Portfolios~~ portfolios of activities that support the achievement of the goals and objectives with corresponding key performance indicators, ~~risks,~~ dependencies, ~~activities, budget~~budgets, and projects.

~~ICANN's~~ The Five-Year Strategic Plan for fiscal years 2016 through 2020 (FY16-FY20) was approved by the Board and published on 14 October 2014.

~~To complement the Strategic Plan, the Five-Year Operating Plan has been drafted and is included in the following sections for review.~~**Version 1 of the** *Annual Operating Plan & Budget* **was reviewed by the Board on 16 October 2014 and published for Public Comment from 11 November 2014 to 4 January 2015. Version 2 of the** *Annual Operating Plan & Budget* **includes modifications based on public comments, feedback received at ICANN 52 from community interactions, and management review. The Five-Year Operating Plan helps establish and communicate the roadmap to operationalize ICANN's menu of work.**

~~The opening remarks by Fadi Chehadé (ICANN President and CEO) at ICANN 51 included an overview of the Planning Process. Please refer to https://www.icann.org/presidents-corner for the recording.~~

ICANN acknowledges that stakeholder bandwidth and support continues to be a key dependency to meeting the goals set forth in ICANN's portfolio of work.

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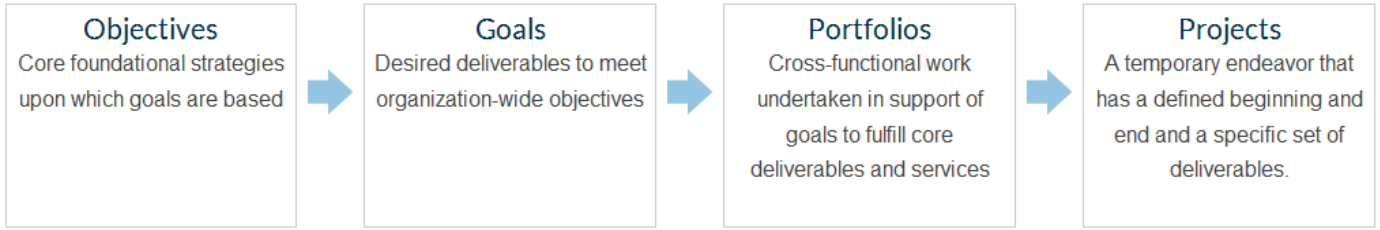
Reference and Notes

1. The ICANN community (community) encompasses ICANN's stakeholders—including its Supporting Organizations, Advisory Committees, and Nominating Committee—the Board of Directors, ~~CEO,~~ and staff. ICANN's multistakeholder model, therefore, defines its community.

2. ICANN Portfolio Management System. Below is a high-level composite of ICANN's work structure.



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~~2.~~3. Definition of terms can be found in the ~~ICANN online glossary (~~ICANN online glossary~~)~~

- ~~Portfolios are referenced from the Portfolio Management System~~

~~4.~~ ~~Goal level risks are stated in the Strategic Plan (https://www.icann.org/en/system/files/files/draft-strategic-plan-2016-2020-10oct14-en.pdf)~~Key Performance Indicators (KPIs) may vary over time as they are refined. Typically KPI's start with:

$ = Value of
# = Number of
% = Percentage of

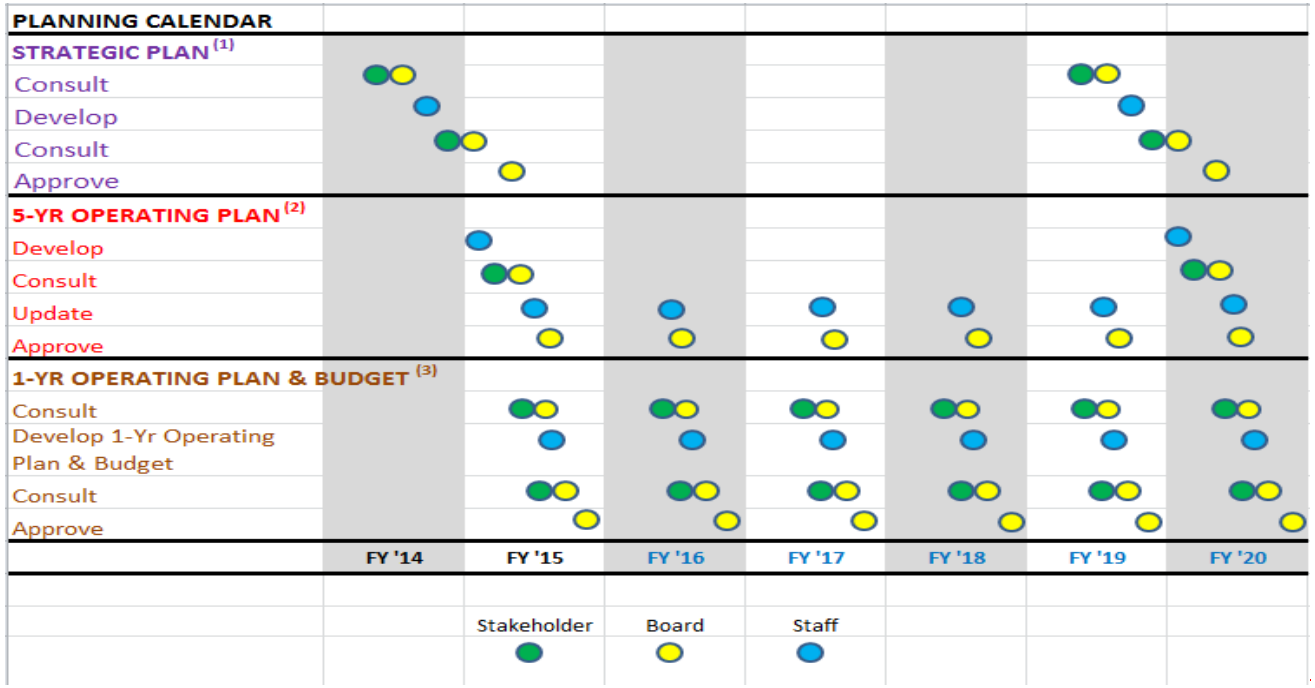
5. Throughout the Five-Year Operating Plan, portfolios contain various projects that contribute to other goals (such as Portfolios in Goal 5.3 support Goal 3.3 as well).

6. Goal-level risks are stated in the Five-Year Strategic Plan.

Planning – Calendar, Community Roles and Responsibilities

The planning process requires the collaborative effort of all aspects of the ICANN community, which encompasses ICANN's stakeholders—including its Supporting Organizations, Advisory Committees, and Nominating Committee—the Board of Directors~~, CEO~~, and staff, and is part of the bottom-up multi-stakeholder process.

The calendar below depicts the involvement of the ICANN community and the timeline of the planning process.



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(1) The next Strategic Planning effort for ~~FY 2021 – FY 2025~~FY21 – FY25 will start in ~~FY 2019~~FY19.

(2) The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events at the time would impact the remaining years in the then current planning cycle. The current **Five-Year Operating Plan calendar** is available on page ~~8.~~

9.
(3) The Five-Year Strategic Plan for FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan & Budget.

~~(3) Strategic Plan for FY 2016 – FY 2020 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan and Budget.~~

The charts below propose a starting point for defining how ICANN community – Board, staff and stakeholders– will be involved in the planning process. It includes frequency of activities, supporting elements as well as roles and responsibilities.

Strategic Plan Process:

			Community Roles and Responsibilities		
Strategic Plan[1]	**Frequency**	**Supporting Elements[2]**	**Staff**	**Board**	**Stakeholders**
1. Consult	Once every 5 years[3]	Strategic Plan Kick-off --Accomplishments from last planning cycle --Environmental analysis, including SWOT[4]		Consult on key challenges and opportunities and areas of strategic importance	Consult on key challenges and opportunities and areas of strategic importance
2. Develop	Once every 5 years	Draft Strategic Plan: --Accomplishments from last planning cycle --Environmental analysis --Vision, Mission --Areas of strategic importance	Develop		
3. Consult	Once every 5 years	Public comment and other engagements		Consult	Consult
4. Approve	Once every 5	Final Strategic Plan	Update based	Approve	

[1] Five-Year Strategic Plan for ~~FY 2016 – FY 2020~~FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan ~~and~~& Budget. The next Strategic Planning effort for ~~FY 2021 – FY 2025~~FY21 – FY25 will start in ~~FY 2019~~FY19.

[2] All documents will be posted and publically available.

[3] The planning cycle will begin approximately 24 months prior to the start of the next planning cycle (~~FY2021-FY2025~~FY21–FY25), to allow sufficient time for key planning steps.

[4] An important aspect of strategic planning is the environmental analysis, including assessment of Strengths and Weaknesses (internally-focused) and Opportunities and Threats (externally-focused).

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	years	--same as above, plus: --Strategic Goals --Key Success Factors (outcomes) --Strategic Risks	on consultations and long-term planning work		

Five-Year Operating Plan Process:

			Community Roles and Responsibilities		
Five - Year Operating Plan[5]	**Frequency**	**Supporting Elements**	**Staff**	**Board**	**Stakeholders**
1. Develop	Once every 5 years	1. Planning Calendar 2. Five-Year Financial Model 3. Draft Summary of Five-Year Operating Plan -- Strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios	Develop		
4. Consult	Once every 5 years	Public comment and other engagements		Consult	Consult
5. Update	Annually	Annual Reporting --Performance as compared to	Update based on		

[5] The Five-Year Strategic Plan for ~~FY2016 – FY2020~~FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan and Budget. The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events at the time will impact the remaining years in the then current planning cycle.

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		plan for prior fiscal year, starting with ~~FY 2016~~FY2016 --Explanation of variances --Required changes to Five-Year Operating Plan[6] if warranted	consultations		
6. Approve	Annually	Final Summary Five-Year Operating Plan		Approve	

[6] The Five-Year Operating Plan will be updated, when appropriate, for the remaining years within the ~~5 Yr.~~five-year cycle. No changes to the Five-Year Strategic Plan for ~~FY2016 – FY2020~~FY16 – FY20 are anticipated, unless a critically significant event or development is observed, such that it would have a significant impact on the strategy for the remainder of the ~~5 Yr.~~five-year cycle.

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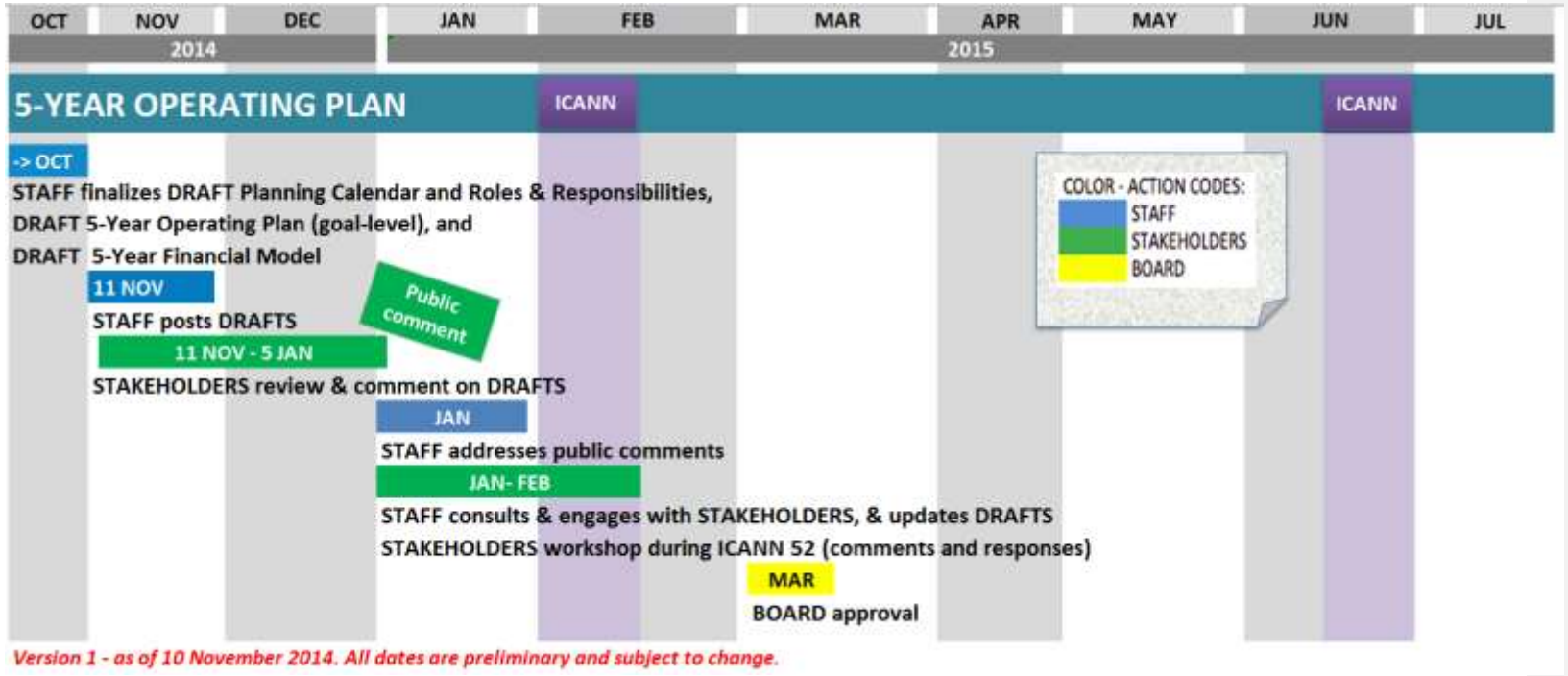
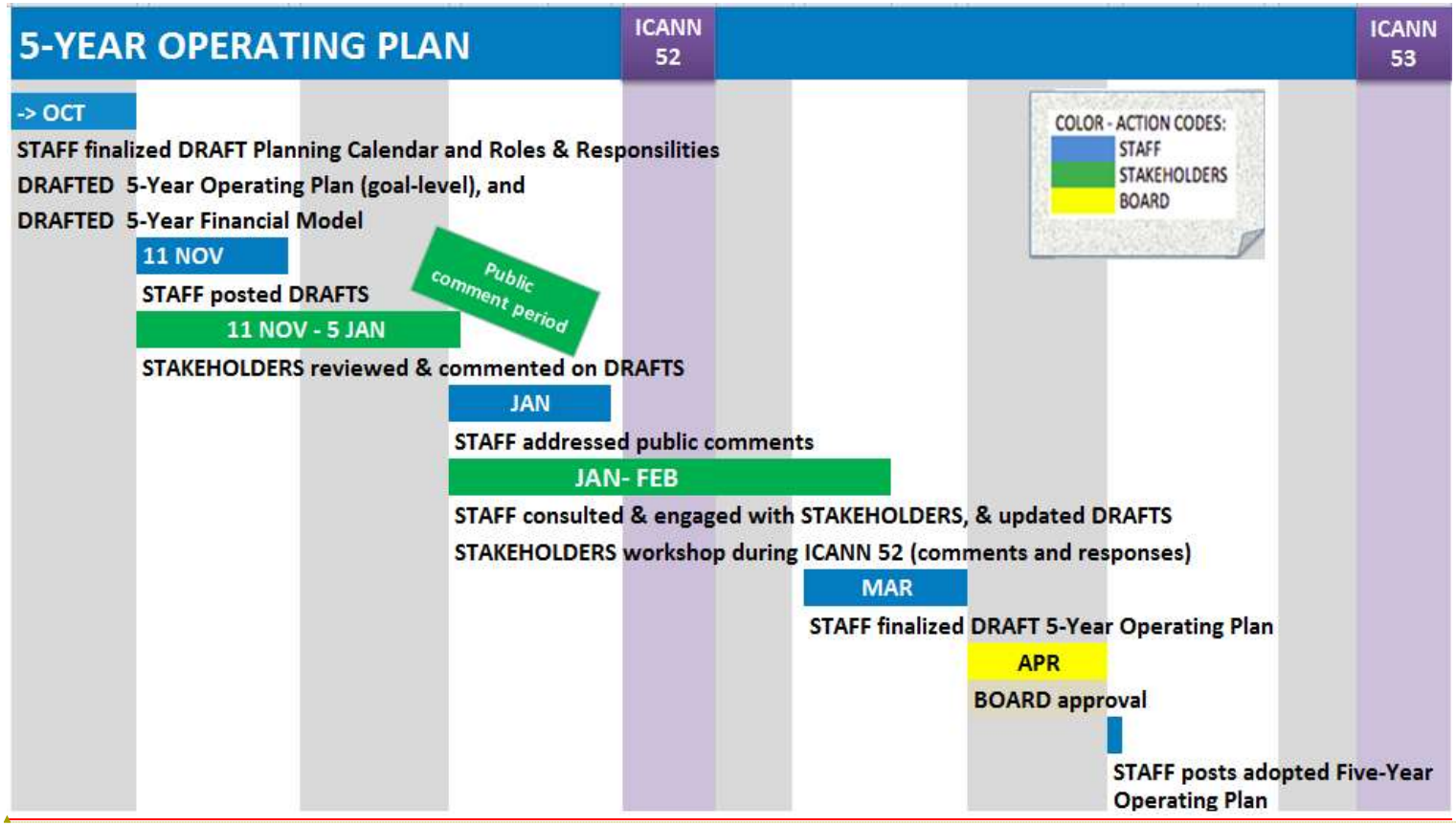
Annual Operating Plan ~~and~~& Budget Process:

			Community Roles and Responsibilities		
One Year Operating Plan & Budget[7]	**Frequency**	**Supporting Elements**	**Staff**	**Board**	**Stakeholders**
1. Consult	Annually	Draft Revenue Model Draft list of Initiatives Engagements		Consult	Consult
2. Develop ~~1 Yr.~~One-Year Operating Plan and Budget	Annually	Draft ~~1 Yr.~~One-Year Operating Plan Draft ~~1 Yr.~~One-Year Budget	Develop/update based on Five-Year Operating Plan, consultations and recent history of events		
3. Consult	Annually	Public comment and other engagements		Consult	Consult
4. Approve	Annually	Final ~~1 Yr.~~One-Year Operating Plan ~~and~~& Budget	Update based on consultations	Approve	

[7] Strategic Plan for ~~FY2016 – FY2020~~FY16–FY20 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan ~~and~~& Budget.

ICANN Five-–Year Operating Plan Current Calendar:





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Operating Plan – Strategic Goal Level

Strategic Objective 1 - Evolve and further **globalize** ICANN.

Strategic Goal 1.1 Further **globalize and regionalize** ICANN functions.

Portfolios:

1. Raising Stakeholder Awareness of ICANN Worldwide
2. Engagement Planning

Key Performance Indicators (Metrics):

- Stakeholder engagement index (e.g., regional/national participation statistics from attendance at ICANN meetings; participation in working groups and initiatives; # of documents, meeting sessions available in multiple languages; languages/scripts represented in ICANN community participation; geographic spread of media coverage of ICANN; tracking expansion of the Fellowship program (by region/language and by involvement in ICANN initiatives)
- % of ICANN organizational functions performed across ICANN

Dependencies:

1. Sufficient funding for media tracking and communications activities to understand success in globalizing ICANN
2. Communications needs may increase/Global Stakeholder Engagement (GSE) focus may shift in event of additional round of new gTLDs during the ~~five year~~Five-Year Operating Plan

Phasing:

FY16	1. Integrate global and regional communications strategies. 2. Comprehensive regional engagement plans and strategies covering most ICANN regions. 3. Further distribute ICANN functions at hub offices.
FY17	1. Sustain implementation of communications strategy. 2. Wide awareness raising and educational effort if supporting ICANN with another new gTLD round. 3. Examine how hubs and engagement offices are supporting ICANN globalization.
FY18	1. Reevaluate communications strategy, refresh social media tools and reevaluate ROI from existing platforms. 2. Conduct mapping of community to regional engagement; implement recommendations resulting from examination of ICANN hub office and engagement site support of ICANN globalization.
FY19	1. Implement integrated global and regional communications strategies in support of ICANN strategies. 2. Implement improvements for global stakeholder engagement (GSE) based on community mapping in FY18.
FY20	1. Conduct holistic evaluation of ongoing integrated global and regional communications strategies. 2. Survey community on GSE engagement and support of community engagement at high level.

	3. Implement improvements on review of GSE web, CRM tools from 2019.

Strategic Objective 1 - Evolve and further **globalize** ICANN.

Strategic Goal 1.2 Bring ICANN to the world by creating a balanced and proactive approach to **regional engagement** with stakeholders.

Portfolios:
1. Engage Stakeholders Regionally
2. Broadcast and Engage with Global Stakeholders

Key Performance Indicators (Metrics):
- # of regional engagement strategies by type and status (e.g., development, implementation and maintenance)

Dependencies:
1. Retaining expertise to support ICANN's efforts across the hubs and regions in multiple languages for a diverse range of stakeholders

Phasing:

FY16	1. Implement ~~Global Stakeholder Engagement~~global stakeholder engagement (GSE) web tools for supporting stakeholder engagement activities at regional and local level. 2. Examine effectiveness of regional strategies launched in FY13-~~14~~FY14.
FY17	1. Increase # of community participants in regional strategies and programs from FY15 levels. 2.~~-~~ Complete first cycle activities under regional engagement strategies and regional plan.
FY18	1. Conduct mapping of community to regional engagement. 2. Kick off new regional engagement strategy cycle across community-driven regional strategies begun in FY14. 3. Enhance online ICANN meeting hubs ~~-~~to contribute~~-~~ and increase engagement during meetings. 4. Review effectiveness of ICANN web tools for supporting globalization and regionalization for community.
FY19	1. Implement improvements for GSE based on community mapping in FY18. 2. Increase participation of active participants across technical community, civil society, governments and business stakeholders.
FY20	1. ICANN participants cover all regions. 2. Achieve participation from all sectors of community and increase in contributions to ICANN policy development. 3. Survey community on GSE engagement and support of community engagement at high level. 4. Implement improvements on review of GSE web, ~~Customer~~customer relationship management (CRM) tools from 2019.

Strategic Objective 1 - Evolve and further **globalize** ICANN.

Strategic Goal 1.3 Evolve **policy development and governance processes, structures and meetings** to be more accountable, inclusive, efficient, effective and responsive.

Portfolios:

1. Support Policy Development, Policy Related and Advisory Activities~~Evolving Multistakeholder Model~~
2. Reinforce Stakeholder Effectiveness, Collaboration and Communication Capabilities
3. Structural Organizational Reviews
4. Evolving Multistakeholder Model ~~4. Support Policy Development, Policy Related and Advisory Activities~~

Key Performance Indicators (Metrics):

- # (Number) of participants in the policy development and governance processes by type, status and location
- ~~# of~~ Quality of service index~~.~~ (e.g., "active" participants in policy development calls and meetings; # of publication subscribers/readers in "print" and on web; # of public comments submitted in ICANN Public Forums; Twitter Subscribers & Tweets; etc.)

Dependencies:

1. Making available IT/Online Community Services (OCS) an integral part of ensuring that improved tools and mechanisms reach and can be accessed by our global stakeholders
2. Dedicated communications strategies and services will be required to ensure successful outcomes
3. The legal team may be called upon to provide inputs and guidance in the policy and decision-making process

Phasing:

FY16	1. Complete a comprehensive inventory of all resources and capabilities that ICANN provides to the current stakeholder communities. 2. ~~-~~Complete a comprehensive assessment of delivery of all resources and capabilities that are provided to the stakeholders. 3. Analyze, evaluate and plan for how to balance resource abilities and capabilities among stakeholders. 4. Evolve Generic Names Supporting Organization (GNSO) Secretariat Pilot program into permanent support status. 5. ~~-~~Assess implementation of Accountability and Transparency Review Team 2 (ATRT2) Recommendation 7, in preparation for ATRT3.
FY17	1. Complete assessment of language services capabilities for proficiency, accuracy consistency and reliability. 2. Review ICANN's Language Services Policy. 3. Conduct final ~~SO-AC Special~~Supporting Organization and Advisory Committee special request process. 4. Assess effectiveness and value of telecoms vendors.

FY18	1. Implement adopted ATRT3 recommendations. 2. Complete a comprehensive assessment of delivery of all resources and capabilities that are provided to the stakeholders (every two years). 3. ~~-~~Analyze, evaluate and plan for how to balance resource abilities and capabilities among stakeholders (every two years). 4. ~~-~~Assess progress toward five-year goal – toward wide use of improved tools and mechanisms for global participation and representation, including the use of remote participation to engage stakeholders from emerging regions.
FY19	1. Assess implementation of adopted ATRT3 recommendations in preparation for ATRT4.
~~**FY20**~~**FY20**	1. Stakeholders and staff collaboratively using observed wide use of improved tools and mechanisms for global participation and representation, including the use of remote participation to engage stakeholders from emerging regions.

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Strategic Goal 2.1 Foster and coordinate a healthy, secure, **stable, and resilient** identifier ecosystem.

Portfolios:
1. IANA Department Operations
2. Root Zone Update System Enhancement
3. Root Server System Evolution
4. Advice Registry Management
5. Security, Stability and Resiliency of Internet Identifiers

Key Performance Indicators (Metrics):
- ~~# of Domain Name System (DNS)/Unique Identifiers operation health index~~
- % of Global Domains Divisions (GDD) Service Level Targets met across multiple departments including GDD Operations, Customer Service and IANA

Dependencies:
1. IT department support
2. Budget availability
3. ~~Community bandwidth and support~~

Phasing:

FY16	1. Develop and achieve community approval of all domain name system (DNS~~/~~)/Unique ~~Identifiers~~identifiers health metrics. 2. Develop and achieve community approval of the ~~Stability~~stability and ~~Resiliency Exercises~~resiliency exercises specified. 3. Develop and achieve community approval of the ICANN legitimacy survey designed. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Develop and achieve community approval of the Identifier registration data access/update system requirements specified.
FY17	1. All DNS/Unique ~~Identifiers~~identifiers health metrics V1 implemented and baselines posted. 2. Stability and ~~Resiliency Exercises~~resiliency exercises implemented and baselines posted. 3. ICANN legitimacy survey implemented and baseline posted. 4. ~~-~~Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Prototype ~~Identifier~~identifier registration data access/update system developed and tested with the community.
FY18	1. All DNS/Unique ~~Identifiers~~identifiers health metrics V1 results reviewed and improvements to metrics as well as functions are recommended.

	2. Stability and ~~Resiliency Exercises~~resiliency exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Identifier registration data access/update system requirements revised and approved by the community.
FY19	1. All DNS/Unique ~~Identifiers~~identifiers health metrics V2 implemented and baselines posted. 2. Stability and ~~Resiliency Exercises~~resiliency exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4 Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Revised ~~Identifier~~identifier registration data access/update system implemented and beta tested by the community.
FY20	1. All DNS/Unique ~~Identifiers~~identifiers health functions recommendations implemented and V2 metrics are reviewed for progress. 2. Stability and ~~Resiliency Exercises~~resiliency exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Revised ~~Identifier~~identifier registration data access/update system put into production.

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Strategic Goal 2.2 Proactively plan for changes in the **use of unique identifiers**, and develop **technology roadmaps** to help guide ICANN activities.

Portfolios:

1. WHOIS Core Function/ Service & Improvements
2. Identifier Evolution
3. ~~Technical Experts Group~~ 3. Technical Experts Group

Key Performance Indicators (Metrics):

- ~~% of registered domain names to internet users regionally and globally~~
- Technical Reputation Index will measure ICANN's reputation for technical excellence in both the ICANN and broader Internet communities.

Dependencies:

1. Budget availability
2. ~~Community Bandwidth and support~~

Phasing:

FY16	1. Department fully staffed. 2. Draft ~~Technology Roadmap~~technology roadmap developed. 3. Relationships with protocol/technology development organizations enhanced. 4. Ratio of registered ~~DN~~domain names to active IP addresses base lined. 5. Ratio of registered ~~DN~~domain names to internet users regionally and globally base lined.
FY17	1. Technology ~~Roadmap~~roadmap approved by ~~Community~~community. 2. At least five identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY18	1. Implementation of year ~~1~~one of technology roadmap done. 2. At least two additional identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY19	1. Implementation of year ~~2~~two of technology roadmap done. 2. Additional identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.

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FY20	1. Review of technology ~~Roadmap~~roadmap and recommendations received. 2. Implementation of year ~~3~~three of technology roadmap done. 3. Additional identifier technology-related white papers are published. 4. Demonstrate growth in ratios in developing region.

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Goal 2.3 Support the evolution of the domain name marketplace to be **robust, stable and trusted.**

Portfolios:

1. GDD Strategic Programs
2. GDD Operations
3. Public Safety Registrations
4. Registrant Interest Representation
5. Contractual Compliance ~~Improvements~~Functions
6. Contractual Compliance Initiatives & Improvements
7. GDD Online Services Product Management
8. GDD Technical Services
9. Internationalized Domain Names
10. New gTLD Program
11. Outreach and Relationship Management with Existing and new Registry, Registrar Community

Key Performance Indicators (Metrics):

- ~~# of contractual compliance complaints to ICANN and # of abuse incidents compared to the # of Registrants~~
- ~~%~~ of ~~GDD~~Progress towards developing a Technical Reputation Index. (This Index is intended to reflect the trust and confidence of the Internet community in the Domain Name Marketplace.)
- % Service Level ~~Agreement (SLA) target~~Targets (SLTs) met (including contractual compliance & IANA SLAs re: names)

Dependencies:

1. IT department support
2. Budget availability
3. ~~Community Bandwidth and support~~

Phasing:

FY16	1. Multistakeholder ~~Satisfaction Survey~~satisfaction surv baseline completed. 2. Baseline of Domain Name industry segments defined.
FY17	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy year over year (YoY) growth in the DN industry.

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	3. Finish the current round of the New gTLD program and have agreement on the start of next round.
FY18	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the ~~DN~~domain name industry.
FY19	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the ~~DN~~domain name industry.
FY20	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the ~~DN~~domain name industry.

Strategic Objective 3 - Advance **organizational, technological** and **operational excellence**.

Goal 3.1 Ensure ICANN's **long-term financial accountability, stability and sustainability.**

Portfolios:

1. Strategic and Operating Planning
2. Business Excellence and Business Intelligence
3. Finance and Procurement
4. Enterprise Risk Management
~~3~~5. Support Operations

Key Performance Indicators (Metrics):

- ~~Accountability~~Financial accountability, stability & sustainability indices (composite index ~~with financial~~of ratios and ~~business continuation readiness~~metrics) including but not limited to:

- Actual to budget reserve fund balance & utilization, and financial performance metrics,
- Internal control performance indicators
- % project completion indices (with emphasis on major projects)
- % comparisons of actual to target succession plan readiness
- % comparisons of actual to target ~~emergency/disaster preparation readiness~~ enterprise risk management roadmap achievements

- On-time delivery index of the ICANN Planning process (includes: ICANN Five-Year Strategic Plan for FY16-FY20, Five-Year Operating Plan, Annual Operating Plan & Budget, achievements and progress reporting).

Dependencies:

1. Budget availability
2. IT system implementation roadmap enabling efficiency & advancement in analytics, metric tracking/ reporting/ review, process improvement implementation, and mitigation assessment & implementation
3. Community bandwidth and focus to provide direction and feedback

Phasing:

FY16	1. Refine the FY15 model – financial framework, roadmap, targets and metrics - with target to achieve within three years the foundation for Key Success Factors (KSFs) (outcome) supported by adequate system advancement in place. 2. Align with budget availability and IT system implementation roadmap. 3. Review and obtain approval by Board, staff and stakeholders.

FY17	1. Achieve financial roadmap targets. 2. Review operational processes for improvements. 3. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY18	1. Achieve the foundation for KSFs (outcome) supported by adequate system advancement in place. 2. Continue to improve and achieve elevated target performance levels as per roadmap. 3. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY19	1. Continue to improve and achieve elevated target performance levels as per roadmap. 2. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY20	1. Complete roadmap as planned. 2. Reassess and plan for future years.

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Goal 3.2 Ensure structured **coordination of ICANN's technical resources.**

Portfolios:
1. Cyber Security
2. IT Infrastructure and Service Scaling

Key Performance Indicators (Metrics):
- % of global IT infrastructure uptime (scaling from 99.9% in FY 2016 to 99.999 % in 2020 for top tier services)

Dependencies:
1. Budget availability

Phasing:

FY16	1. Develop and socialize a suite of uptime metrics for IT Services. 2. Define, divide and socialize IT services into a ~~3~~three-tier classification. 3. Define, socialize and adopt a baseline Lean Process Capability metric for IANA functions. 4. Measure and record a baseline for the IANA functions. 5. Define, develop and socialize a metric for on-time, on-budget IT projects delivery.
FY17	1. Measure and record a baseline for IT Services uptime by ~~Tier~~tier. 2. Measure and compare metric for the IANA functions against baseline for YoY improvement. 3. Report on metric for on-time, on-budget IT projects delivery.
FY18	1. Drive IT Services uptime for Tier 1 towards 99.99% availability. 2. Measure and compare metric for the IANA functions against baseline for YoY improvement. 3. Report on metric for on-time, on-budget IT projects delivery, driving to improvement YoY on performance.
FY19	1. Drive IT Services uptime for Tier 1 to 99.999% availability. 2. Drive uptime for Tier 2 towards 99.99% availability. 3. Measure and compare metric for the IANA functions against baseline for YoY improvement. 4. Report on metric for on-time, on-budget IT projects delivery, driving to improvement YoY on performance.
FY20	1. Maintain IT Services uptime for Tier 1 to 99.999% availability. 2. Maintain uptime for Tier 2 to 99.99% availability or better. 3. Drive uptime for Tier 3 towards 99.9% availability or better. 4. Measure and compare metric for the IANA functions against baseline for YoY improvement.

	5. Report on metric for on-time, on-budget IT project delivery, driving to improvement YoY on performance.

Strategic Objective 3 - Advance organizational, technological and operational excellence.

Goal 3.3 Develop a globally diverse **culture of knowledge and expertise** available to ICANN's Board, staff and stakeholders.

Portfolios:

1. Business Excellence applying EFQM ~~standards~~ methodology
2. ~~Globalizing Operations~~
~~3.~~ Talent Management
~~4~~3. ICANN Technical University

Key Performance Indicators (Metrics):

- % of achievement in comparison to best practice benchmark metrics of global diverse culture, and knowledge levels of Board, staff and stakeholders
- % of completion ~~measurements~~ actual to target implementation milestones of global development programs to advance the knowledge and expertise of successors, key staff, all staff ~~advancements~~, Board and stakeholders

Dependencies:

1. Budget availability
2. IT system implementation roadmap enabling efficiency & advancement in analytics, metric tracking/-reporting/-review, process improvement implementation, and mitigation assessment & implementation
3. Community bandwidth and focus to provide direction and feedback

Phasing:

FY16	1. Build on the FY15 achievements related to this goal KSFs (outcome). 2. Complete ~~1st~~first internal European Foundation for Quality Management (EFQM) radar evaluation & assessment of key areas of focus, identify gaps and developed mitigation/ improvement roadmap. 3. Identify benchmark organizations and derive key benchmarking metrics.
FY17	1. Key areas of focus - a. Develop and perform regular reporting of performance metrics against key benchmarking metrics. b. Create visibility of gaps to benchmarks and develop mitigation roadmap. c. Complete gap mitigation.
FY18	1. Key areas of focus -

	a. Complete EFQM assessment~~/~~/audit. b. Close gaps by the mitigation methods. 2. Second tier focus areas - a. Complete internal EFQM assessment. b. ~~Identified~~Identify gaps. c. Develop mitigation/~~-~~improvement roadmap
FY19	1. Second tier focus areas - a. Develop and perform regular reporting of performance metrics against benchmarking metrics. b. Create visibility of gaps to benchmarks and develop mitigation roadmap. c. Complete gap mitigation.
FY20	1. Second tier focus areas - a. Complete EFQM assessment~~/~~/audit. b. Close gaps by the mitigation methods. 2. Achieve ~~Five~~five-year EFQM roadmap. 3. Develop and implement continuous refinement plan.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.1 Encourage engagement with the existing Internet governance ecosystem at national, regional and global levels.

Portfolios:
1. Coordination of ICANN Participation in Internet Governance (IG)
2. Build Stronger Partnerships with Internet Organizations and Initiatives

Key Performance Indicators (Metrics):
- # of ~~Memorandum~~cooperation agreements or formal recognitions (such as Memorandums of ~~Understandings~~Understanding (MOUs~~)~~)) with international organizations with mutual recognition of roles with ICANN

Dependencies:
1. Successful NTIA IANA functions stewardship transition
2. ~~Establish baseline % participation rates~~ Revision of MOUs to more clearly recognize ICANN's role
~~3. Establish~~3. Completion of a mapping exercise in FY15 to establish baseline % participation rates
4. Completion of a mapping exercise in FY15 to establish baseline measure of # of countries with multistakeholder model IG structures

Phasing:

FY16	1. Increase % participation rates from documented baseline established in ~~FY 2015~~FY15. ~~Increase # national IG multistakeholder structures over baseline established in 2015.~~2. Increase # of demonstration projects in the regions reflecting collaboration with organizations active in the IG ecosystem.
FY17	1.~~-~~ Increase % participation rates documented as baseline established in ~~FY 2016~~FY16. 2.~~-~~ Well-functioning and global acceptance by stakeholders of the post NTIA IANA functions stewardship transition, as reflected in feedback from stakeholders.
FY18	1. Third year review of strategy and mapping exercises. 2. Evolution of global and regional work plans to reflect outcome of review. ~~3. Identification of potential best practices among national and regional multistakeholder IG structures to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.~~
FY19	1. Increase from baseline participation rates documented as baseline established in ~~FY 2018~~FY18.
FY20	1. Strong fully structured working relationships with organizations and entities active in the IG following a successful IANA stewardship

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	transition.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.2 Clarify the role of governments in ICANN and work with them to strengthen their commitment to supporting the global Internet ecosystem.

Portfolios:
1. Support GAC Engagement
2. Engagement with Governments and IGOs

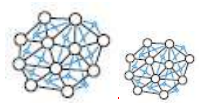
Key Performance Indicators (Metrics):
- Increase # of GAC members (level of actual active participation and level of representation at ICANN meetings)

Dependencies:
1. Positive outcome of the ITU Plenipot-14
2. UN General Assembly discussions in December 2014 and the WSIS 2015 processes

Phasing:

FY16	1. Updated ~~Government~~government engagement strategy is reflected in the work plan for each region. 2. Baseline determination completed to map existing entities within the Internet governance (IG) ecosystem and their posture toward ICANN and the multistakeholder model.
FY17	1. Increase the # of governmental entities actively participating in ICANN. 2. Increase the # of frameworks for ~~partnership~~cooperation and in the number of ~~MS~~multistakeholder IG ~~models~~approaches adopted.
FY18	1. Third year review of strategy. 2. Revise global and regional work plans to reflect outcome of strategy review. ~~3. Identification of potential best practices among national and regional multistakeholder IG structures to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.~~
FY19	1. Increase # of governmental entities actively participating in ICANN~~;~~. 2. ~~increase~~Increase # of frameworks for partnership and in the number of ~~MS~~multistakeholder IG ~~models~~approaches adopted.
FY20	1. Enhanced relationships with governments that encourage them to support the adoption of the multistakeholder IG ~~model~~approaches on

	national, regional and global levels.



Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder **Internet governance ecosystem** that addresses Internet issues.

Portfolios:

1. Support Internet Governance (IG) Ecosystem Advancement

Key Performance Indicators (Metrics):

- # of governments and other stakeholders willing to have a national multistakeholder distributed IG ~~structure~~approach

Dependencies:

1. ~~Establish~~Completion of FY15 base line mapping of organizations participating in the IG ecosystem
2. Revision of ~~MoU~~MOU agreements to include clearer language ~~recognizing ICANN's role~~endorsing multistakeholder distributed IG approaches
3. ~~Establish~~Completion of FY15 baseline mapping of national and regional multistakeholder IG ~~structures~~approaches

Phasing:

FY16	1. Increase in # of ~~partnerships and~~cooperation agreements with respective Internet organizations and ~~and~~ regional and national multistakeholder IG ~~structures~~approaches over baseline established in FY 2015. ~~1.~~2. Increase # national IG multistakeholder approaches over baseline established in 2015.
FY17	1. Increase in # of ~~partnerships and~~cooperation agreements with respective Internet organizations and regional and national multistakeholder~~.~~ IG ~~structures~~approaches over baseline established in ~~FY 2016~~FY16. 2. ~~Increase # of demonstration projects in the regions reflecting collaboration with organizations active in the IG ecosystem.~~Identification of potential best practices among national and regional multistakeholder IG approaches to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.
FY18	1.~~-~~ Year three review of the goals and delivery strategy for those goals. a. Evolution and improvement of global engagement work plan based upon completed review. b. Increase in # of projects and work reflecting collaboration with respective Internet organizations over baseline established in ~~FY~~

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	~~2017.~~FY17. c. Identification of potential best practices among national and regional multistakeholder IG approaches to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.
FY19	1. Revise global strategy and goals reflected in regional strategies and work plans. 2. Increase in # of projects and work reflecting collaboration with respective Internet organizations over baseline established in ~~FY 2018~~FY18.
FY20	~~1. Full~~1. ICANN involvement, consistent with its mission and within its mandate, in a full implementation of a distributed trusted fully inclusive multistakeholder IG ecosystem; perception that technical and non-technical IG issues are successfully addressed using multistakeholder model.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.4 Promote role clarity and establish mechanisms to increase trust within the ecosystem rooted in the public interest.

Portfolios:

1. Strategic Initiatives

Key Performance Indicators (Metrics):

- ~~Develop key measures of trust for the Trust Index (e.g. (1) agreed upon roles, responsibilities and accountability of the Board, staff and stakeholders; (2) Board, staff and stakeholders behavior norms with significant impact on trust, and ongoing performance relative to such norms; (3) benchmarks of multistakeholder engagement best practices, and ongoing performance relative to such benchmarks)~~
- Develop a framework that generates institutional confidence in ICANN and builds trust over time
  --Assemble and refine Accountability-related KPIs as a means of measuring ICANN's accountability
  --Implement means of measuring long-range progress

Dependencies:

1. External: ICANN community
2. Internal: Policy, GSE, Communications and Legal (in the context of the Board)
3. Touch points with Board, staff and stakeholders

Phasing:

FY16	1. ~~1.~~ Assess current practices and documentation. 2. ~~2~~Assemble and refine Accountability-related KPIs, in line with Accountability Framework proposed by One World Trust in response to recommendations of Accountability and Transparency Review Teams to implement a means of measuring ICANN's accountability. 3. Identify and propose best practices. ~~3~~4. Propose measurements and benchmarks.
FY17	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting. 3. Implement means of measuring long-range progress.
FY18	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting.
FY19	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting.
FY20	1. Assess and adjust plan and practices as needed.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

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Strategic Goal 5.1 Act as a **steward of the public interest**.

Portfolios:

1. Legal Advisory Function
2. Public Interest Decision-Making
3. Legal Internal Support
4. Support ICANN Board

Key Performance Indicators (Metrics):

- # of ICANN decisions and advice (Board, staff and stakeholders) that are rationalized based on common consensus based definition of public interest

Dependencies:

1. Community, Board and Executive involvement in the dialogue regarding the public interest definitions and framework to hold as an ICANN standard

Phasing:

FY16	1. Create Framework for ~~ICANN's SOs~~ICANN Supporting Organizations and ~~ACs~~Advisory Committee to assist them in assessing how their actions are aligned to the public interest.
FY17	1. Measure and baseline the % of actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY18	1. Increase from the baseline the % actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY19	1. Continue to increase on the % actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY20	1. Reach goal of all material actions including a consideration of decision-making and how rationales are including the public interest assessments as part of decision-making.

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Strategic Goal 5.2 Promote **ethics, transparency and accountability** across the ICANN community.

Portfolios:

1. Affirmation of Commitments (AoC) Accountability & Transparency Review
2. AoC Whois Policy Review
3. AoC SSR Review
4. AoC Competition, Consumer Trust & Consumer Choice Review
5. Accountability and Transparency Mechanisms
6. Conflicts of Interest and Organizational Ethics
7. IANA Functions Stewardship Transition & Enhancing ICANN Accountability

Key Performance Indicators (Metrics):

- Public interest framework index (e.g., DIDP and correspondence posted on time, compliance with the conflict of interest policy and compliance with the Board Code of Conduct)

Dependencies:

1. Stakeholder Community, Board and Executive agreement on a clear, actionable Accountability and Ethical Framework

Phasing:

FY16	1. Create and ~~public~~publish revised Accountability and Ethical Framework and develop baseline metrics to measure to demonstrate impact on organization.
FY17	1. Measure against the baseline metrics developed in ~~2016~~FY16 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements. Measure and baseline the % of actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY18	1. Meet increased metrics developed in ~~2016-2017~~FY16-FY17 and show increase in acceptance and impact of Accountability and Ethical Framework.

	2. Continue to review for improvements and enhancements.
FY19	1. Meet increased metrics developed in ~~2016-2018~~FY16-FY18 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements.
FY20	1. Reach five year goals in acceptance and impact on organization set out in the Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements. 3. -Continue to review for improvements and enhancements.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

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Strategic Goal 5.3 Empower current and new stakeholders to fully participate in ICANN activities**.**

Portfolios:

1. Strengthening Development and Public Responsibility ~~Programs to Empower New Communities to Participate~~Department
~~1.~~2. Participation in ~~ICANN~~Global Internet Cooperation and Development
3. Supporting Education and Academic Outreach
4. Supporting the Next Generation

Key Performance Indicators (Metrics):

- # of stakeholders participating in public responsibility programs

Dependencies:

1. Clear understanding of the definition in relation to ICANN's mandate and mission
2. Revenue to support efforts
3. Engagement and support both with and for other ICANN internal departments
4. SO/AC buy-in and support for approach
5. -Working relationships with Governments in developing and underdeveloped regions as key points of access

Phasing:

FY16	1. Establish engagement baseline for under-represented countries and communities and other underrepresented groups and address critical engagement gaps.

FY17	1. Increase access, knowledge, and capability of priority groups through goal efforts through fully operational Development and Public Responsibility Department (DPRD).
FY18	1. Continue improvement of increased access, knowledge, and capability of target audiences and consolidation of regional strategies.
FY19	1. Continue improvement of increased access, knowledge, and capability of target audiences.
FY20	1. Assess efforts and impact on target audiences and plan for evolution of operations to continue to address evolving community needs.

Five-Year Financial Model

Introduction

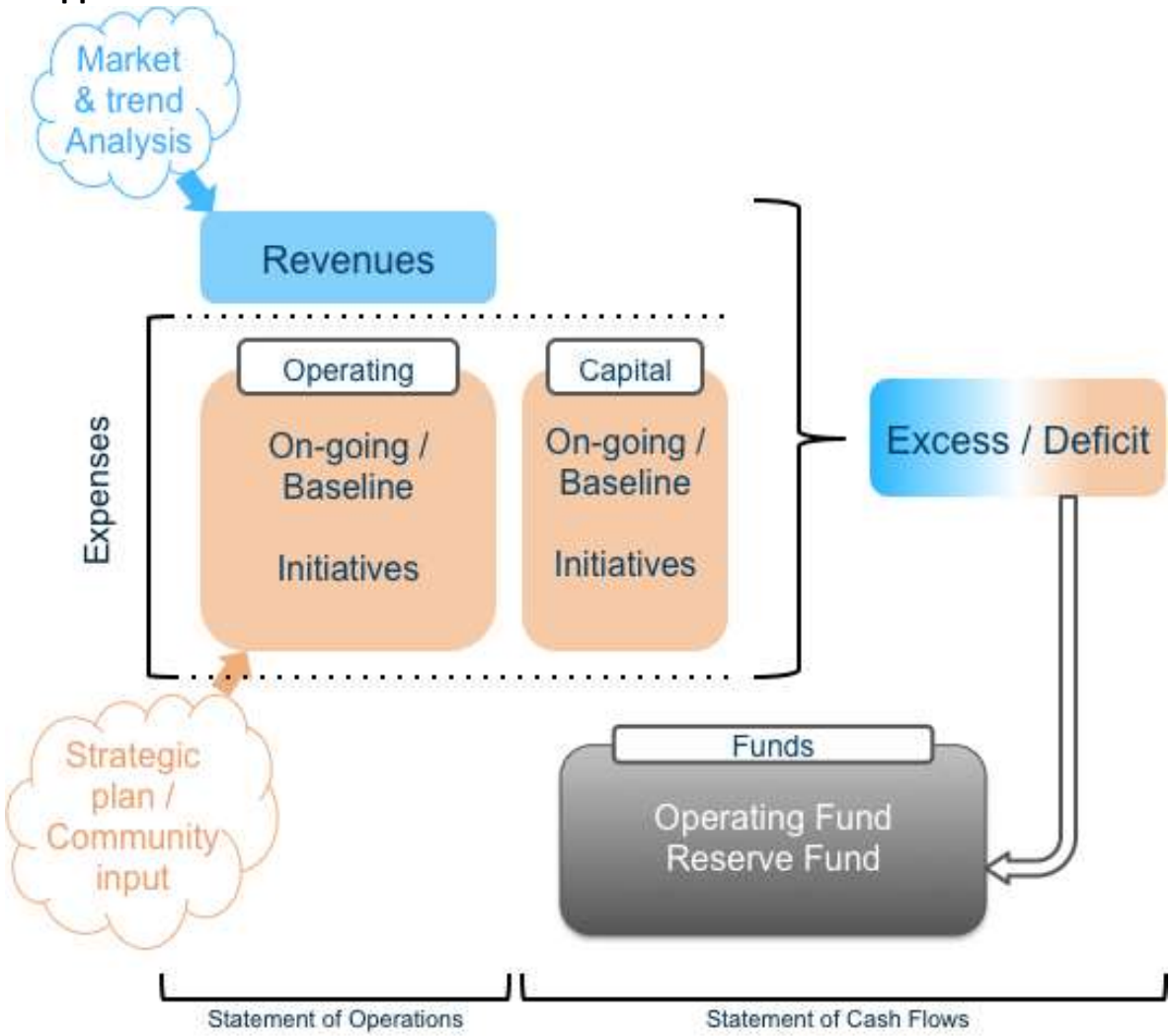
The financial model provides a long-term perspective on ICANN's high-level revenue and expenses trends. It is a forward looking perspective based on assumptions.

The benefit of building such a model is to raise strategic questions, suggest possible trends, and to provide a tool for management to plan organizational activities. As events and activities unfold, adjustments may become necessary and will naturally impact the five-year financial model.

The financial model is not:

- the result of a detailed budget-like exercise
- a public position statement
- fixed for a long time

1. Approach to Five-Year Financial Model



2. Principles:

The five-year financial model should:

a. Reflect a conservative approach.
b. Assume that incoming funds should equal or exceed outgoing funds.
c. Assume that the level of outgoing funds ~~reflect~~reflects the costs of the resources required to achieve the strategic and operating plans.
d. Include an assumption on maintaining the appropriate level of cash reserve.
e. Be developed and communicated with clear assumptions.
f. Provide the sensitivity of fluctuations ~~-~~(e.g., scenarios).
g. Define aggregates (envelopes), not itemized components.

3. Assumptions:

a. Revenue Assumptions:

- Market and historical trends impacting the evolution of registration volumes, separately for historical Top Level Domains (TLDs) (previous to the current round) and for new TLDs.
- For new ~~Top Level Domains~~TLDs, registration volumes exceeding the billing threshold for the registry transaction-based fees.
- Number of active ~~Top Level Domains~~TLDs (delegated in the root), including resulting from a subsequent generic ~~Top Level Domains~~TLD (gTLD) application round.
- Fee per unit.
- Contributions received from country code ~~Top Level Domain~~TLD (ccTLD) operators~~,~~ and Regional Internet Registries.
- Sponsorship contribution received.
- Revenues for the New gTLD Program: duration, and level of application refunds.

b. Expenses Assumptions:

- Year-on-year variation of operating and capital expenses.
- Non-~~-~~cash expenses (e.~~-~~g.~~.,~~ depreciation of fixed assets).
- Special/large initiatives and related expenses (e.g.~~.~~., USG IANA stewardship transition, ATRT2, Whois, infrastructure expansion/improvements,…).

~~- Expenses for new gTLD expenses: resource requirement by phase.~~

- Expenses for the New gTLD Program divided between evaluation costs, historical development costs repayment, and hard-to-predict costs (including risks). Evaluation costs to be split into direct costs by phase (initial evaluation, extended evaluation, other phases), and overhead (new gTLD team costs, administration costs, and costs allocation).

4. Contents of the financial model

a. Financial statements

- Statement of Operations ("P&L")
- Statement of Cash flows

b. Assumptions, including scenarios

c. Risks and Opportunities

ICANN

ICANN Draft Five-Year Operating Plan

DRAFT
Nov. 2014

Version 1:

FY2016- FY2020

Introduction

ICANN has drafted a multi-year planning framework based on input from the ICANN community during the development of the Strategic Plan. The framework includes the following three elements:

I. ***Strategic Plan -*** Developed with community input, to be updated every five years, and includes vision & mission, strategic objectives, goals, key success factors, and strategic risks.

II. ***Five-Year Operating Plan*** – Developed with community input and to be updated annually to include: five-year planning calendar, strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios; and five-year financial model.

III. ***Annual Operating Plan and Budget*** – To be derived based on the Five-Year Operating Plan and community input annually, and will include: Portfolios with corresponding key performance indicators, risks, dependencies, activities, budget, and projects.

ICANN's Strategic Plan for fiscal years 2016 through 2020 was approved by the Board and published on 14 October 2014.

To complement the Strategic Plan, the Five-Year Operating Plan has been drafted and is included in the following sections for review.

The opening remarks by Fadi Chehadé (ICANN President and CEO) at ICANN 51 included an overview of the Planning Process. Please refer to https://www.icann.org/presidents-corner for the recording.

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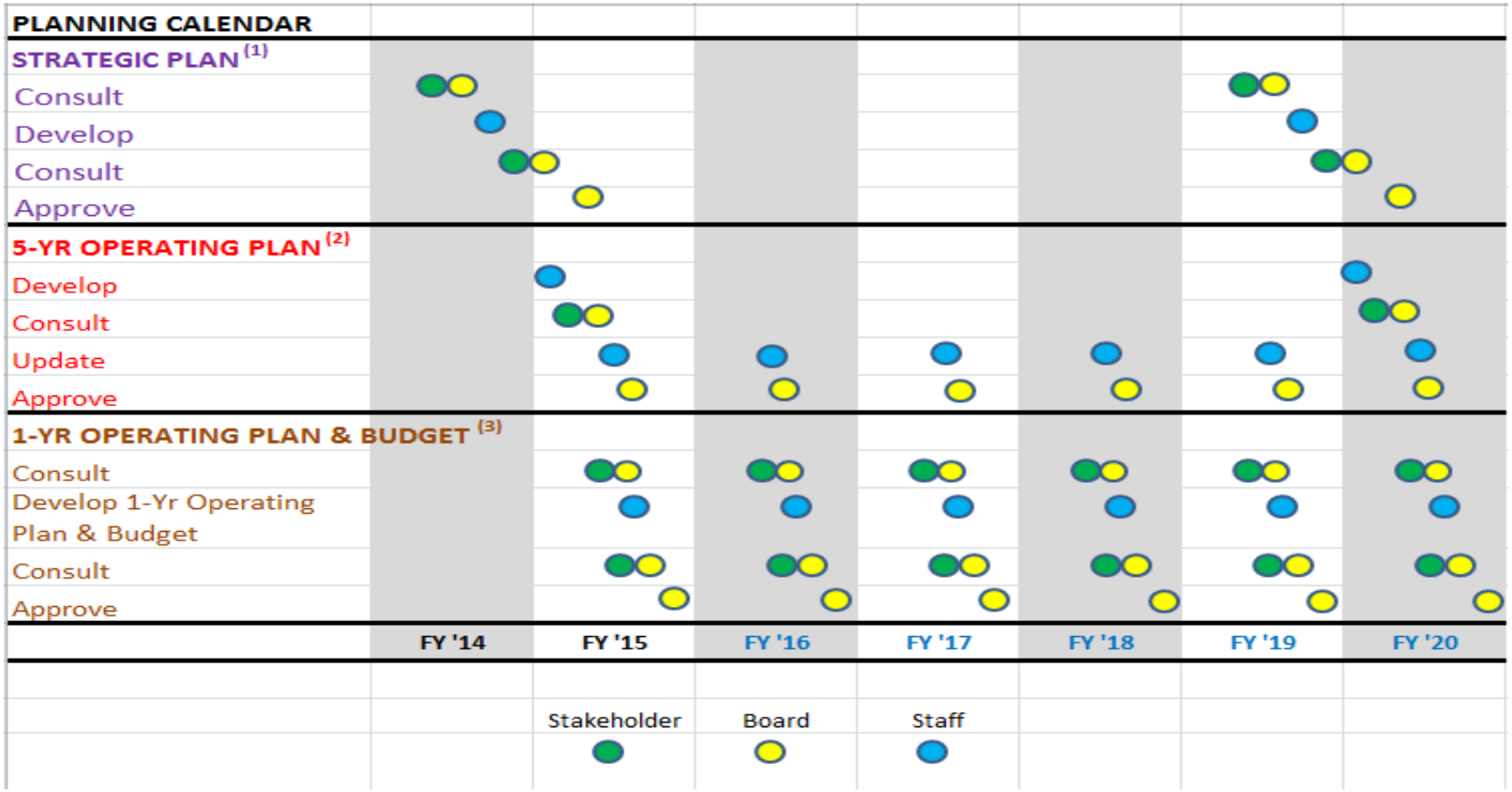
- ICANN community (community) encompasses ICANN's stakeholders—including its Supporting Organizations, Advisory Committees, and Nominating Committee—Board of Directors, CEO, and staff. ICANN's multistakeholder model, therefore, defines its community.
- Definition of terms can be found in the ICANN online glossary (https://www.icann.org/resources/pages/glossary-2014-02-03-en)
- Portfolios are referenced from the Portfolio Management System
- Goal level risks are stated in the Strategic Plan (https://www.icann.org/en/system/files/files/draft-strategic-plan-2016-2020-10oct14-en.pdf)

Planning – Calendar, Community Roles and Responsibilities

The planning process requires the collaborative effort of all aspects of the ICANN community, which encompasses ICANN's stakeholders—including its Supporting Organizations, Advisory Committees, and Nominating Committee—Board of Directors, CEO, and staff, and is part of the bottom-up multi-stakeholder process.

The calendar below depicts the involvement of the ICANN community and the timeline of the planning process.



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(1) The next Strategic Planning effort for FY 2021 – FY 2025 will start in FY 2019.

(2) The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events at the time would impact the remaining years in the then current planning cycle. The current **Five-Year Operating Plan calendar** is available on page 8.

(3) Strategic Plan for FY 2016 – FY 2020 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan and Budget.

The charts below propose a starting point for defining how ICANN community – Board, staff and stakeholders– will be involved in the planning process. It includes frequency of activities, supporting elements as well as roles and responsibilities.

Strategic Plan Process:

			Community Roles and Responsibilities		
Strategic Plan[1]	**Frequency**	**Supporting Elements**[2]	**Staff**	**Board**	**Stakeholders**
1. Consult	Once every 5 years[3]	Strategic Plan Kick-off --Accomplishments from last planning cycle --Environmental analysis, including SWOT[4]		Consult on key challenges and opportunities and areas of strategic importance	Consult on key challenges and opportunities and areas of strategic importance
2. Develop	Once every 5 years	Draft Strategic Plan: --Accomplishments from last planning cycle --Environmental analysis --Vision, Mission --Areas of strategic importance	Develop		
3. Consult	Once every 5 years	Public comment and other engagements		Consult	Consult
4. Approve	Once every 5 years	Final Strategic Plan --same as above, plus: --Strategic Goals --Key Success Factors (outcomes) --Strategic Risks	Update based on consultations and long-term planning work	Approve	

[1] Strategic Plan for FY 2016 – FY 2020 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan and Budget. The next Strategic Planning effort for FY 2021 – FY 2025 will start in FY 2019.
[2] All documents will be posted and publically available.
[3] The planning cycle will begin approximately 24 months prior to the start of the next planning cycle (FY2021-FY2025), to allow sufficient time for key planning steps.
[4] An important aspect of strategic planning is the environmental analysis, including assessment of Strengths and Weaknesses (internally-focused) and Opportunities and Threats (externally-focused).

Five-Year Operating Plan Process:

			Community Roles and Responsibilities		
Five - Year Operating Plan[5]	**Frequency**	**Supporting Elements**	**Staff**	**Board**	**Stakeholders**
1. Develop	Once every 5 years	1. Planning Calendar 2. Five-Year Financial Model 3. Draft Summary Five-Year Operating Plan -- Strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios	Develop		
4. Consult	Once every 5 years	Public comment and other engagements		Consult	Consult
5. Update	Annually	Annual Reporting --Performance as compared to plan for prior fiscal year, starting with FY 2016 --Explanation of variances --Required changes to Five-Year Operating Plan[6] if warranted	Update based on consultations		
6. Approve	Annually	Final Summary Five-Year Operating Plan		Approve	

[5] Strategic Plan for FY2016 – FY2020 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan and Budget. The Five-Year Operating Plan will be updated annually to reflect how actual performance and recent events at the time will impact the remaining years in the then current planning cycle.

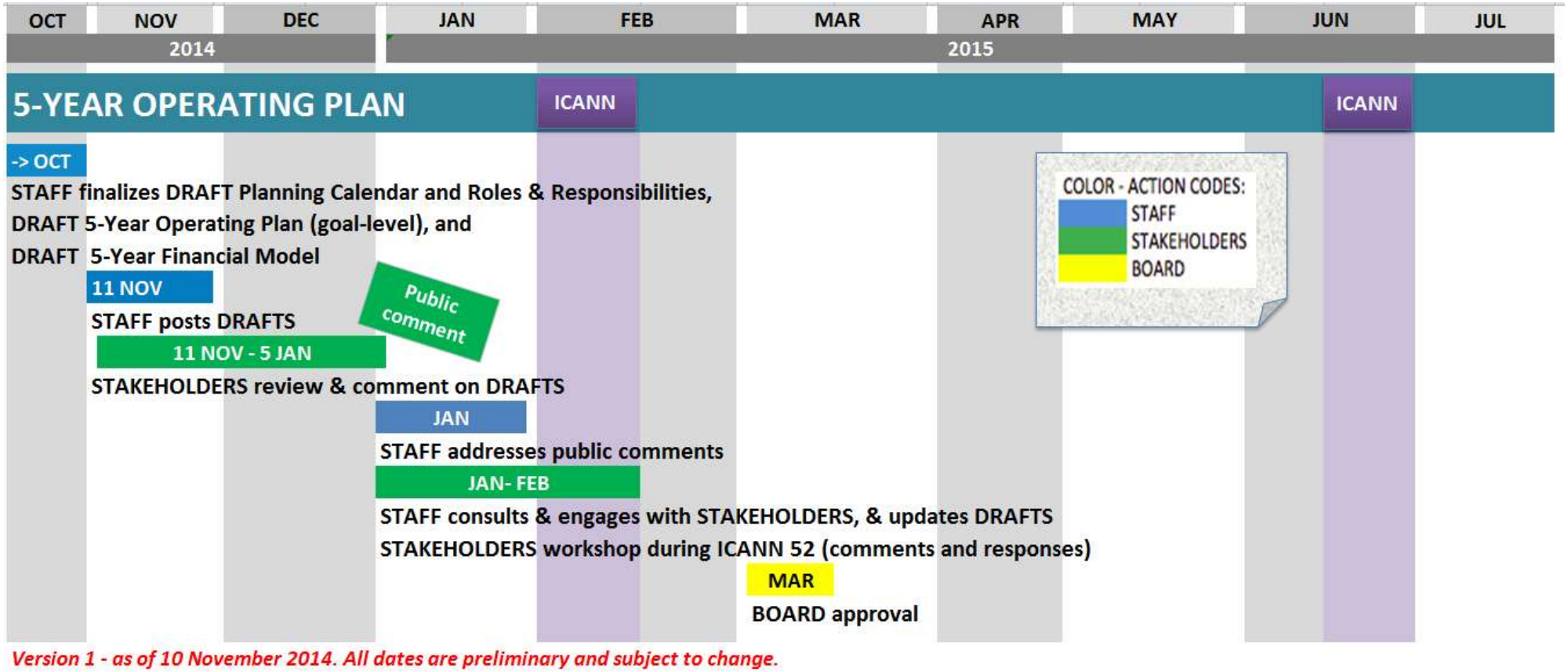
[6] The Five-Year Operating Plan will be updated, when appropriate, for the remaining years within the 5-Yr. cycle. No changes to the Strategic Plan for FY2016 – FY2020 are anticipated, unless a critically significant event or development is observed, such that it would have a significant impact on the strategy for the remainder of the 5-Yr. cycle.

Annual Operating Plan and Budget Process:

			Community Roles and Responsibilities		
One Year Operating Plan & Budget[7]	**Frequency**	**Supporting Elements**	**Staff**	**Board**	**Stakeholders**
1. Consult	Annually	Draft Revenue Model Draft list of Initiatives Engagements		Consult	Consult
2. Develop 1-Yr. Operating Plan and Budget	Annually	Draft 1-Yr. Operating Plan Draft 1-Yr. Budget	Develop/update based on Five-Year Operating Plan, consultations and recent history of events		
3. Consult	Annually	Public comment and other engagements		Consult	Consult
4. Approve	Annually	Final 1-Yr. Operating Plan and Budget	Update based on consultations	Approve	

[7] Strategic Plan for FY2016 – FY2020 is linked to the Five-Year Operating Plan, which informs the One-Year Operating Plan and Budget.

ICANN Five –Year Operating Plan Current Calendar:



Version 1 - as of 10 November 2014. All dates are preliminary and subject to change.

Operating Plan – Strategic Goal Level

Strategic Objective 1 - Evolve and further **globalize** ICANN.

Strategic Goal 1.1 Further **globalize and regionalize** ICANN functions.

Portfolios:

1. Raising Stakeholder Awareness of ICANN Worldwide
2. Engagement Planning

Key Performance Indicators (Metrics):

- Stakeholder engagement index (e.g., regional/national participation statistics from attendance at ICANN meetings; participation in working groups and initiatives; # of documents, meeting sessions available in multiple languages; languages/scripts represented in ICANN community participation; geographic spread of media coverage of ICANN; tracking expansion of the Fellowship program (by region/language and by involvement in ICANN initiatives)
- % of ICANN organizational functions performed across ICANN

Dependencies:

1. Sufficient funding for media tracking and communications activities to understand success in globalizing ICANN
2. Communications needs may increase/Global Stakeholder Engagement (GSE) focus may shift in event of additional round of new gTLDs during the five year Operating Plan

Phasing:

FY16	1. Integrate global and regional communications strategies. 2. Comprehensive regional engagement plans and strategies covering most ICANN regions. 3. Further distribute ICANN functions at hub offices.
FY17	1. Sustain implementation of communications strategy. 2. Wide awareness raising and educational effort if supporting ICANN with another new gTLD round. 3. Examine how hubs and engagement offices are supporting ICANN globalization.
FY18	1. Reevaluate communications strategy, refresh social media tools and reevaluate ROI from existing platforms. 2. Conduct mapping of community to regional engagement; implement recommendations resulting from examination of ICANN hub office and engagement site support of ICANN globalization.
FY19	1. Implement integrated global and regional communications strategies in support of ICANN strategies. 2. Implement improvements for GSE based on community mapping in FY18.
FY20	1. Conduct holistic evaluation of ongoing integrated global and regional communications strategies. 2. Survey community on GSE engagement and support of community engagement at high level. 3. Implement improvements on review of GSE web, CRM tools from 2019.

Strategic Goal 1.2 Bring ICANN to the world by creating a balanced and proactive approach to **regional engagement** with stakeholders.

Portfolios:

1. Engage Stakeholders Regionally
2. Broadcast and Engage with Global Stakeholders

Key Performance Indicators (Metrics):

- # of regional engagement strategies by type and status (e.g., development, implementation and maintenance)

Dependencies:

1. Retaining expertise to support ICANN's efforts across the hubs and regions in multiple languages for a diverse range of stakeholders

Phasing:

FY16	1. Implement Global Stakeholder Engagement (GSE) web tools for supporting stakeholder engagement activities at regional and local level. 2. Examine effectiveness of regional strategies launched in FY13-14.
FY17	1. Increase # of community participants in regional strategies and programs from FY15 levels. 2. Complete first cycle activities under regional engagement strategies and regional plan.
FY18	1. Conduct mapping of community to regional engagement. 2. Kick off new regional engagement strategy cycle across community-driven regional strategies begun in FY14. 3. Enhance online ICANN meeting hubs to contribute and increase engagement during meetings. 4. Review effectiveness of ICANN web tools for supporting globalization and regionalization for community.
FY19	1. Implement improvements for GSE based on community mapping in FY18. 2. Increase participation of active participants across technical community, civil society, governments and business stakeholders.
FY20	1. ICANN participants cover all regions. 2. Achieve participation from all sectors of community and increase in contributions to ICANN policy development. 3. Survey community on GSE engagement and support of community engagement at high level 4. Implement improvements on review of GSE web, Customer relationship management (CRM) tools from 2019.

Strategic Goal 1.3 Evolve **policy development and governance processes, structures and meetings** to be more accountable, inclusive, efficient, effective and responsive.

Portfolios:

1. Evolving Multistakeholder Model
2. Reinforce Stakeholder Effectiveness, Collaboration and Communication Capabilities
3. Organizational Reviews
4. Support Policy Development, Policy Related and Advisory Activities

Key Performance Indicators (Metrics):

- # of participants in the policy development and governance processes by type, status and location
- # of Quality of service index. (e.g., "active" participants in policy development calls and meetings; # of publication subscribers/readers in "print" and on web; # of public comments submitted in ICANN Public Forums; Twitter Subscribers & Tweets; etc.)

Dependencies:

1. Making available IT/Online Community Services (OCS) an integral part of ensuring that improved tools and mechanisms reach and can be accessed by our global stakeholders
2. Dedicated communications strategies and services will be required to ensure successful outcomes
3. The legal team may be called upon to provide inputs and guidance in the policy and decision-making process

Phasing:

FY16	1. Complete a comprehensive inventory of all resources and capabilities that ICANN provides to the current stakeholder communities. 2. Complete a comprehensive assessment of delivery of all resources and capabilities that are provided to the stakeholders. 3. Analyze, evaluate and plan for how to balance resource abilities and capabilities among stakeholders. 4. Evolve Generic Names Supporting Organization (GNSO) Secretariat Pilot program into permanent support status. 5. Assess implementation of Accountability and Transparency Review Team 2 (ATRT2) Recommendation 7, in preparation for ATRT3.
FY17	1. Complete assessment of language services capabilities for proficiency, accuracy consistency and reliability. 2. Review ICANN's Language Services Policy. 3. Conduct final SO-AC Special request process. 4. Assess effectiveness and value of telecoms vendors.

FY18	1. Implement adopted ATRT3 recommendations. 2. Complete a comprehensive assessment of delivery of all resources and capabilities that are provided to the stakeholders (every two years). 3. Analyze, evaluate and plan for how to balance resource abilities and capabilities among stakeholders (every two years). 4. Assess progress toward five-year goal – toward wide use of improved tools and mechanisms for global participation and representation, including the use of remote participation to engage stakeholders from emerging regions.
FY19	1. Assess implementation of adopted ATRT3 recommendations in preparation for ATRT4.
FY20	1. Stakeholders and staff collaboratively using observed wide use of improved tools and mechanisms for global participation and representation, including the use of remote participation to engage stakeholders from emerging regions.

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Strategic Goal 2.1 Foster and coordinate a healthy, secure, **stable, and resilient** identifier ecosystem.

Portfolios:

1. IANA Department Operations
2. Root Zone Update System Enhancement
3. Root Server System Evolution
4. Advice Registry Management
5. Security, Stability and Resiliency of Internet Identifiers

Key Performance Indicators (Metrics):

- # of Domain Name System (DNS)/Unique Identifiers operation health index

Dependencies:

1. IT department support
2. Budget availability
3. Community bandwidth and support

Phasing:

FY16	1. Develop and achieve community approval of all DNS/Unique Identifiers health metrics. 2. Develop and achieve community approval of the Stability and Resiliency Exercises specified. 3. Develop and achieve community approval of the ICANN legitimacy survey designed 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Develop and achieve community approval of the Identifier registration data access/update system requirements specified
FY17	1. All DNS/Unique Identifiers health metrics V1 implemented and baselines posted. 2. Stability and Resiliency Exercises implemented and baselines posted. 3. ICANN legitimacy survey implemented and baseline posted. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Prototype Identifier registration data access/update system developed and tested with the community.
FY18	1. All DNS/Unique Identifiers health metrics V1 results reviewed and improvements to metrics as well as functions are recommended. 2. Stability and Resiliency Exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY).

	5. Identifier registration data access/update system requirements revised and approved by the community.
FY19	1. All DNS/Unique Identifiers health metrics V2 implemented and baselines posted. 2. Stability and Resiliency Exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4 Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Revised Identifier registration data access/update system implemented and beta tested by the community.
FY20	1. All DNS/Unique Identifiers health functions recommendations implemented and V2 metrics are reviewed for progress. 2. Stability and Resiliency Exercises repeated, gap analysis performed, and necessary improvements made. 3. ICANN legitimacy survey repeated, gap analysis performed, and necessary improvements made. 4. Collaborate with community to reduce gap of IPv6 and DNSSEC deployment by 5% year over year (YoY). 5. Revised Identifier registration data access/update system put into production.

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Strategic Goal 2.2 Proactively plan for changes in the **use of unique identifiers**, and develop **technology roadmaps** to help guide ICANN activities.

Portfolios:

1. WHOIS Core Function/ Service & Improvements
2. Identifier Evolution
3. Technical Experts Group

Key Performance Indicators (Metrics):

- % of registered domain names to internet users regionally and globally

Dependencies:

1. Budget availability
2. Community Bandwidth and support

Phasing:

FY16	1. Department fully staffed. 2. Draft Technology Roadmap developed. 3. Relationships with protocol/technology development organizations enhanced. 4. Ratio of registered DN to active IP addresses base lined. 5. Ratio of registered DN to internet users regionally and globally base lined.
FY17	1. Technology Roadmap approved by Community. 2. At least five identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY18	1. Implementation of year 1 of technology roadmap done. 2. At least two additional identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY19	1. Implementation of year 2 of technology roadmap done. 2. Additional identifier technology-related white papers are published. 3. Demonstrate growth in ratios in developing regions.
FY20	1. Review of technology Roadmap and recommendations received. 2. Implementation of year 3 of technology roadmap done. 3. Additional identifier technology-related white papers are published. 4. Demonstrate growth in ratios in developing region

Strategic Objective 2 - Support a healthy, stable and resilient **unique identifier ecosystem**.

Goal 2.3 Support the evolution of domain name marketplace to be **robust, stable and trusted.**

Portfolios:

1. GDD Strategic Programs
2. GDD Operations
3. Public Safety Registrations
4. Registrant Interest Representation
5. Contractual Compliance Improvements
6. Contractual Compliance Initiatives
7. GDD Online Services Product Management
8. GDD Technical Services
9. Internationalized Domain Names
10. New gTLD Program
11. Outreach and Relationship Management with Existing and new Registry, Registrar Community

Key Performance Indicators (Metrics):

- # of contractual compliance complaints to ICANN and # of abuse incidents compared to the # of Registrants
- % of GDD Service Level Agreement (SLA) target met

Dependencies:

1. IT department support
2. Budget availability
3. Community Bandwidth and support

Phasing:

FY16	1. Multistakeholder Satisfaction Survey baseline completed. 2. Baseline of Domain Name industry segments defined.
FY17	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy year over year (YoY) growth in the DN industry. 3. Finish the current round of the New gTLD program and have agreement on the start of next round.
FY18	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the DN industry.
FY19	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the DN industry.
FY20	1. Improve multistakeholder satisfaction by reducing survey gap by at least 10% YoY. 2. Show stable healthy YoY growth in the DN industry.

Strategic Objective 3 - Advance **organizational, technological** and **operational excellence.**

Goal 3.1 Ensure ICANN's **long-term financial accountability, stability and sustainability.**

Portfolios:

1. Strategic and Operating Planning
2. Enterprise Risk Management
3. Support Operations

Key Performance Indicators (Metrics):

- Accountability, stability & sustainability indices (composite index with financial ratios and business continuation readiness) including:

- Actual to budget reserve fund balance & utilization, and financial performance metrics,
- Internal control performance indicators
- % project completion indices (with emphasis on major projects)
- % comparisons of actual to target succession plan readiness
- % comparisons of actual to target emergency/disaster preparation readiness

Dependencies:

1. Budget availability
2. IT system implementation roadmap enabling efficiency & advancement in analytics, metric tracking/ reporting/ review, process improvement implementation, and mitigation assessment & implementation
3. Community bandwidth and focus to provide direction and feedback

Phasing:

FY16	1. Refine the FY15 model – financial framework, roadmap, targets and metrics - with target to achieve within three years the foundation for Key Success Factors (KSFs) (outcome) supported by adequate system advancement in place. 2. Align with budget availability and IT system implementation roadmap. 3. Review and obtain approval by Board, staff and stakeholders.
FY17	1. Achieve financial roadmap targets. 2. Review operational processes for improvements. 3. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY18	1. Achieve the foundation for KSFs (outcome) supported by adequate system advancement in place. 2. Continue to improve and achieve elevated target performance levels as per roadmap. 3. Modify roadmap as needed and approved by Board, staff and stakeholders.

FY19	1. Continue to improve and achieve elevated target performance levels as per roadmap. 2. Modify roadmap as needed and approved by Board, staff and stakeholders.
FY20	1. Complete roadmap as planned. 2. Reassess and plan for future years.

Strategic Objective 3 - Advance **organizational, technological** and **operational excellence.**

Goal 3.2 Ensure structured **coordination of ICANN's technical resources.**

Portfolios:

1. Cyber Security
2. IT Infrastructure and Service Scaling

Key Performance Indicators (Metrics):

- % of global IT infrastructure uptime (scaling from 99.9% in FY 2016 to 99.999 % in 2020 for top tier services)

Dependencies:

1. Budget availability

Phasing:

FY16	1. Develop and socialize a suite of uptime metrics for IT Services. 2. Define, divide and socialize IT services into a 3-tier classification. 3. Define, socialize and adopt a baseline Lean Process Capability metric for IANA functions. 4. Measure and record a baseline for the IANA functions. 5. Define, develop and socialize a metric for on-time, on-budget IT projects delivery.
FY17	1. Measure and record a baseline for IT Services uptime by Tier. 2. Measure and compare metric for the IANA functions against baseline for YoY improvement. 3. Report on metric for on-time, on-budget IT projects delivery.
FY18	1. Drive IT Services uptime for Tier 1 towards 99.99% availability. 2. Measure and compare metric for the IANA functions against baseline for YoY improvement. 3. Report on metric for on-time, on-budget IT projects delivery, driving to improvement YoY on performance.
FY19	1. Drive IT Services uptime for Tier 1 to 99.999% availability. 2. Drive uptime for Tier 2 towards 99.99% availability. 3. Measure and compare metric for the IANA functions against baseline for YoY improvement. 4. Report on metric for on-time, on-budget IT projects delivery, driving to improvement YoY on performance.
FY20	1. Maintain IT Services uptime for Tier 1 to 99.999% availability. 2. Maintain uptime for Tier 2 to 99.99% availability or better. 3. Drive uptime for Tier 3 towards 99.9% availability or better. 4. Measure and compare metric for the IANA functions against baseline for YoY improvement. 5. Report on metric for on-time, on-budget IT project delivery, driving to improvement YoY on performance.

Strategic Objective 3 - Advance **organizational, technological** and **operational excellence.**

Goal 3.3 Develop a globally diverse **culture of knowledge and expertise** available to ICANN's Board, staff and stakeholders.

Portfolios:

1. Business Excellence applying EFQM standards
2. Globalizing Operations
3. Talent Management
4. ICANN Technical University

Key Performance Indicators (Metrics):

- % of achievement in comparison to best practice benchmark metrics of global diverse culture, and knowledge levels of Board, staff and stakeholders
- % of completion measurements - actual to target implementation milestones of development programs of successors, key staff, all staff advancements, Board and stakeholders

Dependencies:

1. Budget availability
2. IT system implementation roadmap enabling efficiency & advancement in analytics, metric tracking/ reporting/ review, process improvement implementation, and mitigation assessment & implementation
3. Community bandwidth and focus to provide direction and feedback

Phasing:

FY16	1. Build on the FY15 achievements related to this goal KSFs (outcome). 2. Complete 1st internal EFQM radar evaluation & assessment of key areas of focus, identify gaps and developed mitigation/ improvement roadmap. 3. Identify benchmark organizations and derive key benchmarking metrics.
FY17	1.Key areas of focus - a. Develop and perform regular reporting of performance metrics against key benchmarking metrics. b. Create visibility of gaps to benchmarks and develop mitigation roadmap. c. Complete gap mitigation.
FY18	1. Key areas of focus - a. Complete EFQM assessment / audit b. Close gaps by the mitigation methods

	2. Second tier focus areas - a. Complete internal EFQM assessment b. Identified gaps c. Develop mitigation/ improvement roadmap
FY19	1. Second tier focus areas - a. Develop and perform regular reporting of performance metrics against benchmarking metrics. b. Create visibility of gaps to benchmarks and develop mitigation roadmap. c. Complete gap mitigation.
FY20	1. Second tier focus areas - a. Complete EFQM assessment / audit b. Close gaps by the mitigation methods 2. Achieve Five-year EFQM roadmap. 3. Develop and implement continuous refinement plan.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.1 Encourage engagement with the existing Internet governance ecosystem at national, regional and global levels.

Portfolios:

1. Coordination of ICANN Participation in Internet Governance (IG)
2. Build Stronger Partnerships with Internet Organizations and Initiatives

Key Performance Indicators (Metrics):

- # of Memorandum of Understandings (MOUs) with international organizations with mutual recognition of roles with ICANN

Dependencies:

1. Successful NTIA IANA functions stewardship transition
2. Establish baseline % participation rates
3. Establish baseline measure of # of countries with multistakeholder model IG structures

Phasing:

FY16	1. Increase % participation rates from documented baseline established in FY 2015. 2. Increase # national IG multistakeholder structures over baseline established in 2015.
FY17	1. Increase % participation rates documented as baseline established in FY 2016. 2. Well-functioning and global acceptance by stakeholders of the post NTIA IANA functions stewardship transition, as reflected in feedback from stakeholders.
FY18	1. Third year review of strategy. 2. Evolution of global and regional work plans to reflect outcome of review. 3. Identification of potential best practices among national and regional multistakeholder IG structures to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.
FY19	1. Increase from baseline participation rates documented as baseline established in FY 2018.
FY20	1. Strong working relationships with organizations and entities active in the IG following a successful IANA stewardship transition.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.2 Clarify the role of governments in ICANN and work with them to strengthen their commitment to supporting the global Internet ecosystem.

Portfolios:

1. Support GAC Engagement
2. Engagement with Governments and IGOs

Key Performance Indicators (Metrics):

- Increase # of GAC members (level of actual active participation and level of representation at ICANN meetings)

Dependencies:

1. Positive outcome of the ITU Plenipot-14
2. UN General Assembly discussions in December 2014 and the WSIS 2015 processes

Phasing:

FY16	1. Updated Government engagement strategy is reflected in the work plan for each region. 2. Baseline determination completed to map existing entities within the IG ecosystem and their posture toward ICANN and the multistakeholder model
FY17	1. Increase the # of governmental entities actively participating in ICANN. 2. Increase the # of frameworks for partnership and in the number of MS IG models adopted.
FY18	1. Third year review of strategy. 2. Revise global and regional work plans to reflect outcome of strategy review. 3. Identification of potential best practices among national and regional multistakeholder IG structures to be highlighted in outreach work for further adoption of multistakeholder model IG governance mechanisms.
FY19	1. Increase # of governmental entities actively participating in ICANN; 2. increase # of frameworks for partnership and in the number of MS IG models adopted.
FY20	1. Enhanced relationships with governments that encourage them to support the adoption of the multistakeholder IG model on national, regional and global levels.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder **Internet governance ecosystem** that addresses Internet issues.

Portfolios:

1. Support Internet Governance Ecosystem Advancement

Key Performance Indicators (Metrics):

- # of governments and other stakeholders willing to have a national multistakeholder distributed IG structure

Dependencies:

1. Establish base line mapping of organizations participating in the IG ecosystem
2. Revision of MoU agreements to include clearer language recognizing ICANN's role
3. Establish baseline of national and regional multistakeholder IG structures

Phasing:

FY16	1. Increase in # of partnerships and agreements with respective Internet organizations and and regional and national multistakeholder IG structures over baseline established in FY 2015.
FY17	1. Increase in # of partnerships and agreements with respective Internet organizations and regional and national multistakeholder. IG structures over baseline established in FY 2016. 2. Increase # of demonstration projects in the regions reflecting collaboration with organizations active in the IG ecosystem.
FY18	1. Year three review of the goals and delivery strategy for those goals. a. Evolution and improvement of global engagement work plan based upon completed review. b. Increase in # of projects and work reflecting collaboration with respective Internet organizations over baseline established in FY 2017.
FY19	1. Revise global strategy and goals reflected in regional strategies and work plans. 2. Increase in # of projects and work reflecting collaboration with respective Internet organizations over baseline established in FY 2018.
FY20	1. Full implementation of a distributed trusted fully inclusive multistakeholder IG ecosystem; perception that technical and non-technical IG issues are successfully addressed using multistakeholder model.

Strategic Objective 4 - Promote ICANN's role and **multistakeholder** approach.

Strategic Goal 4.4 Promote role clarity and establish mechanisms to increase trust within the ecosystem rooted in the public interest.

Portfolios:

1. Strategic Initiatives

Key Performance Indicators (Metrics):

- Develop key measures of trust for the Trust Index (e.g. (1) agreed upon roles, responsibilities and accountability of the Board, staff and stakeholders; (2) Board, staff and stakeholders behavior norms with significant impact on trust, and ongoing performance relative to such norms; (3) benchmarks of multistakeholder engagement best practices, and ongoing performance relative to such benchmarks)

Dependencies:

1. External: ICANN community
2. Internal: Policy, GSE, Communications and Legal (in the context of the Board)
3. Touch points with Board, staff and stakeholders

Phasing:

FY16	1. Assess current practices and documentation. 2. Identify and propose best practices. 3. Propose measurements and benchmarks.
FY17	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting.
FY18	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting.
FY19	1. Implement agreed-upon plan and practices. 2. Implement ongoing measurement, benchmarking and reporting.
FY20	1. Assess and adjust plan and practices as needed.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

Strategic Goal 5.1 Act as a **steward of the public interest**.

Portfolios:
1. Legal Advisory Function
2. Public Interest Decision-Making
3. Legal Internal Support
4. Support ICANN Board

Key Performance Indicators (Metrics):
- # of ICANN decisions and advice (Board, staff and stakeholders) that are rationalized based on common consensus based definition of public interest

Dependencies:
1. Community, Board and Executive involvement in the dialogue regarding the public interest definitions and framework to hold as an ICANN standard

Phasing:

FY16	1. Create Framework for ICANN's SOs and ACs to assist them in assessing how their actions are aligned to the public interest.
FY17	1. Measure and baseline the % of actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY18	1. Increase from the baseline the % actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY19	1. Continue to increase on the % actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY20	1. Reach goal of all material actions including a consideration of decision-making and how rationales are including the public interest assessments as part of decision-making.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

Strategic Goal 5.2 Promote **ethics, transparency and accountability** across the ICANN community.

Portfolios:

1. Affirmation of Commitments (AoC) Accountability & Transparency Review
2. AoC Whois Policy Review
3. AoC SSR Review
4. AoC Competition, Consumer Trust & Consumer Choice Review
5. Accountability and Transparency Mechanisms
6. Conflicts of Interest and Organizational Ethics
7. IANA Functions Stewardship Transition & Enhancing ICANN Accountability

Key Performance Indicators (Metrics):

- Public interest framework index (e.g., DIDP and correspondence posted on time, compliance with the conflict of interest policy and compliance with the Board Code of Conduct)

Dependencies:

1. Stakeholder Community, Board and Executive agreement on a clear, actionable Accountability and Ethical Framework

Phasing:

FY16	1. Create and public revised Accountability and Ethical Framework and develop baseline metrics to measure to demonstrate impact on organization.
FY17	1. Measure against the baseline metrics developed in 2016 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements. Measure and baseline the % of actions by ICANN in decision-making and how rationales are including the public interest assessments as part of decision-making.
FY18	1. Meet increased metrics developed in 2016-2017 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements.
FY19	1. Meet increased metrics developed in 2016-2018 and show increase in acceptance and impact of Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements.
FY20	1. Reach five year goals in acceptance and impact on organization set out in the Accountability and Ethical Framework. 2. Continue to review for improvements and enhancements. 3. Continue to review for improvements and enhancements.

Strategic Objective 5 - Develop and implement a **global public interest** framework bounded by ICANN's mission.

Strategic Goal 5.3 Empower current and new stakeholders to fully participate in ICANN activities.

Portfolios:

1. Public Responsibility Programs to Empower New Communities to Participate in ICANN

Key Performance Indicators (Metrics):

- # of stakeholders participating in public responsibility programs

Dependencies:

1. Clear understanding of the definition in relation to ICANN's mandate and mission
2. Revenue to support efforts
3. Engagement and support both with and for other ICANN internal departments
4. SO/AC buy-in and support for approach
5. Working relationships with Governments in developing and underdeveloped regions as key points of access

Phasing:

FY16	1. Establish engagement baseline for under-represented countries and communities and other underrepresented groups and address critical engagement gaps.
FY17	1. Increase access, knowledge, and capability of priority groups through goal efforts through fully operational Development and Public Responsibility Department (DPRD).
FY18	1. Continue improvement of increased access, knowledge, and capability of target audiences and consolidation of regional strategies.
FY19	1. Continue improvement of increased access, knowledge, and capability of target audiences.
FY20	1. Assess efforts and impact on target audiences and plan for evolution of operations to continue to address evolving community needs.

Five-Year Financial Model

Introduction

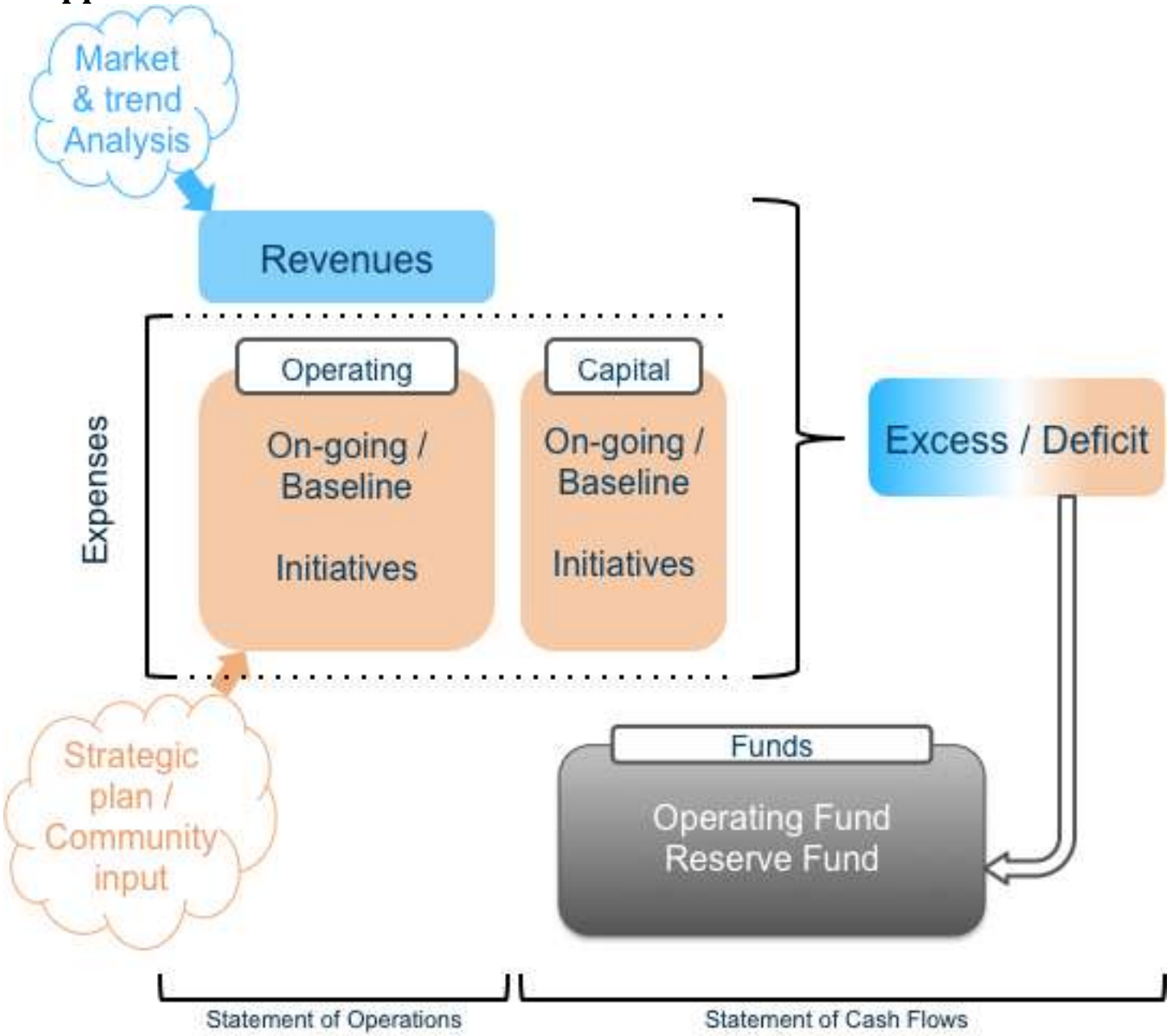
The financial model provides a long-term perspective on ICANN's high-level revenue and expenses trends. It is a forward looking perspective based on assumptions.

The benefit of building such a model is to raise strategic questions, suggest possible trends, and to provide a tool for management to plan organizational activities. As events and activities unfold, adjustments may become necessary and will naturally impact the five-year financial model.

The financial model is not:

- the result of a detailed budget-like exercise
- a public position statement
- fixed for a long time

1. Approach to Five-Year Financial Model



2. Principles:

The five-year financial model should:

a. Reflect a conservative approach.
b. Assume that incoming funds should equal or exceed outgoing funds
c. Assume that the level of outgoing funds reflect the costs of the resources required to achieve the strategic and operating plans.
d. Include an assumption on maintaining the appropriate level of cash reserve.
e. Be developed and communicated with clear assumptions.
f. Provide the sensitivity of fluctuations (e.g., scenarios).
g. Define aggregates (envelopes), not itemized components.

3. Assumptions

a. Revenue Assumptions:

- Market and historical trends impacting the evolution of registration volumes, separately for historical Top Level Domains (previous to the current round) and for new TLDs.
- For new Top Level Domains, registration volumes exceeding the billing threshold for the registry transaction-based fees.
- Number of active Top Level Domains (delegated in the root), including resulting from a subsequent generic Top Level Domains (gTLD) application round.
- Fee per unit.
- Contributions received from country code Top Level Domain operators, Regional Internet Registries.
- Sponsorship contribution received.
- Revenues for the New gTLD Program: duration, and level of application refunds.

b. Expenses Assumptions:

- Year-on-year variation of operating and capital expenses.
- Non cash expenses (e. g. depreciation of fixed assets).
- Special/large initiatives and related expenses (e.g. USG transition, ATRT2, Whois, infrastructure expansion/improvements,…).
- Expenses for new gTLD expenses: resource requirement by phase.

4. Contents of the financial model

a. Financial statements

- Statement of Operations ("P&L")
- Statement of Cash flows

b. Assumptions, including scenarios

c. Risks and Opportunities

ICANN

ICANN Strategic Plan
for fiscal years 2016 - 2020

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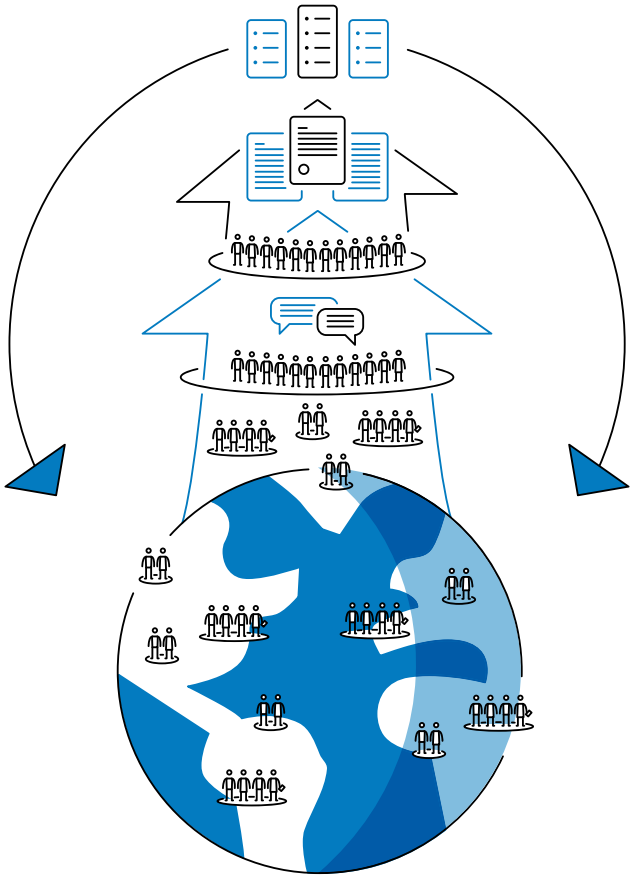
Introduction

ICANN is committed to its multistakeholder model of governance and believes that global inclusivity, transparency and accountability are critical to being trusted by its stakeholders worldwide to fulfill its Mission. ICANN encompasses ICANN's stakeholders—including its Supporting Organizations, Advisory Committees, and Nominating Committee—Board of Directors, CEO, and Staff. ICANN's multistakeholder model, therefore, defines its community. Bottom-up processes are used for its critical activities, such as policy development, strategic planning, and the selection of the ICANN Board of Directors.

ICANN strives to be a proficient, responsive and respected *steward of the public interest* through its commitment to public accountability, openness, and effective cooperation and collaboration. These collective efforts culminate in a common shared goal: *a single, interoperable Internet supported by stable, secure and resilient unique identifier systems.*

The Internet remains a globally shared resource unlike anything the world has ever had. It drives nearly continuous change in everything it touches in society. The impacts of those changes are



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Introduction (Continued)

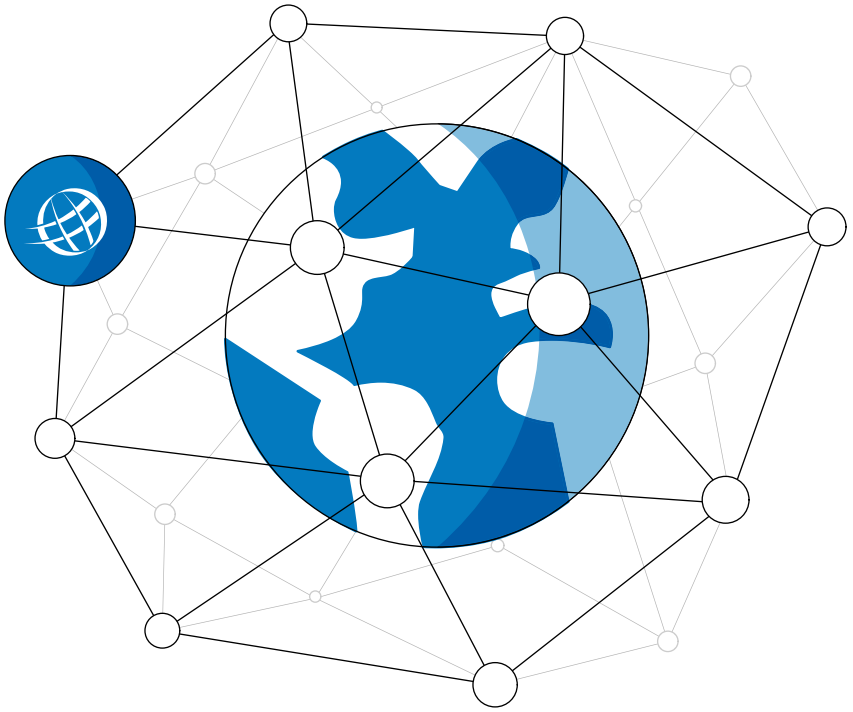
magnified by their ever-increasing rate and reach. ICANN must be ready to not only meet these changes, but to be ahead of them with respect to their impact on the Internet's unique identifier systems. This Five-Year Strategic Plan seeks to enable us to do just that. A key aspect of the strategic planning process, therefore, has included deliberate attention to the major environmental shifts that ICANN should consider in focusing its resources.

Beginning in April 2013, ICANN sought and incorporated extensive community input in the creation of its Five-Year Strategic Plan. During the ensuing fourteen-month process, related initiatives such as the Affirmation of Commitments Reviews, the Regional Engagement Strategies, and Strategy Panels informed the Plan. The end result is this document. It includes a new **Vision**, ICANN's founding **Mission**, and five **Strategic Objectives**. For each Strategic Objective, the goals, key success factors (outcomes) and key risks are clearly defined[1]. The Five-Year Strategic Plan is complemented by a Five-Year Operating Plan, which details—for each Strategic Goal—portfolios of activities, outcomes, risks, dependencies, and phasing over the next five years through FY2020.

[1] *Outcomes and risks do not necessarily connote ICANN responsibility.*

Vision

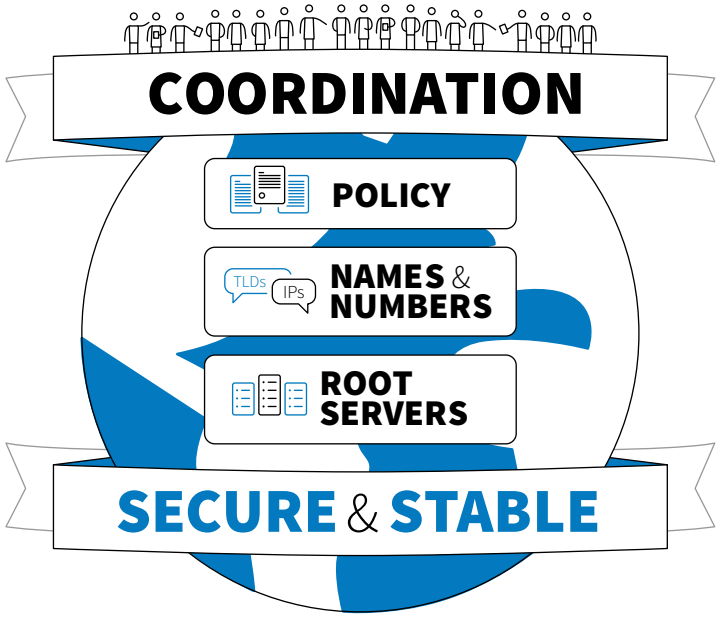
ICANN's vision is that of an independent, global organization trusted worldwide to coordinate the global Internet's systems of unique identifiers to support a single, open globally interoperable Internet. ICANN builds trust through serving the public interest, and incorporating the transparent and effective cooperation among stakeholders worldwide to facilitate its coordination role.



Mission

ICANN's founding mission, as stated in its Bylaws, is to coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of these related systems. This includes:

1. Coordinating the allocation and assignment of the following three sets of unique identifiers for the Internet (the IANA function):
    a. Domain names (used in a system referred to as "DNS");
    b. Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and
    c. Protocol port and parameter numbers.
2. Coordinating the operation and evolution of the DNS root name server system.
3. Coordinating the community's policy development reasonably and appropriately related to these technical functions.



In performing its mission, ICANN is guided by core values enumerated in its Bylaws, including diversity, fairness, integrity, creativeness, effectiveness, responsiveness, and transparency. These general principles and values continue to guide the activities of ICANN.

Strategic Objectives

Strategic Objectives for the next five years

Taking into account the external forces and international growth and evolution of the Internet and the domain name system and the other identifiers ICANN coordinates, ICANN has made success in five Strategic Objectives a priority to continue to fulfill its stated Mission and realize its Vision by 2020. These Strategic Objectives are derived from extensive public input on ICANN's key challenges and opportunities and on the strategic areas highlighted by ICANN's Board of Directors, as well as input on related initiatives. The five Strategic Objectives are:

1 Evolve and further **globalize** ICANN.

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2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

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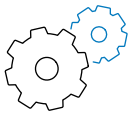

3 Advance **organizational**, **technological** and **operational excellence**.

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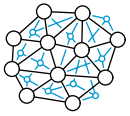

4 Promote ICANN's role and **multistakeholder** approach.

CLICK FOR MORE INFO →

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

CLICK FOR MORE INFO →

In the remainder of this document each Strategic Objective is outlined with Strategic Goals, Key Success Factors (Outcomes), and Strategic Risks.

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

1 Evolve and further **globalize** ICANN.

In 1998 when ICANN was formed, four percent of the world's population was online with half of those users in the United States. There were three million websites, only seven gTLDs (generic top-level domains), just three RIRs (Regional Internet Registries) for the entire planet, and no ccNSO (Country Code Names Supporting Organization) to represent 243 ccTLDs.

In 2013, 35 percent of the world's population was online, with almost half in Asia. There are over 635 million websites accessed through more than 200 million domain names. There are now five RIRs with the addition of Africa and Latin America managing their own regions, and 285 ccTLDs (including 36 IDN ccTLDs in non-Latin scripts)—and the ccNSO membership has spread across the globe. While RIRs are regionalized and individual ccTLDs run localized policy development, current gTLD policy development topics are mostly of interest to first world countries, which may contribute to low participation from some other parts of the world.

By the time ICANN's Five-Year Strategic Plan is complete in FY2020, it is estimated that 63 percent of the world's population will be online (five billion users), many of whom won't use Latin keyboards. This growth and development brings more users, expectations and dependencies—from a more international and diverse community of stakeholders.

In order to meet the needs of this changing global landscape, ICANN will continue to evolve its multistakeholder processes and structures—both face-to-face and online—to enable: broad, inclusive, multilingual, engagement; new forms of participatory, consensus-based decision-making; and globalized and regionalized institutional frameworks to support such enhanced functions[2].

TO ACHIEVE THIS STRATEGIC OBJECTIVE, ICANN SEEKS TO:

1.1 Further **globalize and regionalize** ICANN functions.

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1.2 Bring ICANN to the world by creating a balanced and proactive approach to **regional engagement** with stakeholders.

CLICK FOR MORE INFO →

1.3 Evolve **policy development and governance processes**, **structures and meetings** to be more accountable, inclusive, efficient, effective and responsive.

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[2] *ICANN's collaboration with members of the global Internet ecosystem also is a critical element for achieving this goal and is addressed in section 4.*

1 Evolve and further **globalize** ICANN.

1.1 Further globalize and regionalize ICANN functions.

1.2 Bring ICANN to the world by creating a balanced and proactive approach to regional engagement with stakeholders.

1.3 Evolve policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

1.1 Further **globalize and regionalize** ICANN functions.

KEY SUCCESS FACTORS (OUTCOMES)

- Globalize ICANN's operational functions to support ICANN in being more relevant, inclusive, connected and collaborative worldwide.
- ICANN's communications allow for connection and engagement by the community in major languages/scripts.
- Recognized hubs and engagement mechanisms supporting the regional engagement strategies and local community participation in ICANN.
- Diversification of ICANN functions across hub and engagement mechanisms.

STRATEGIC RISKS

- Cost of globalization is not sustainable with incoming resources to meet community demand.
- Change in global environment prevents globalization, or globalization is not perceived as mission-driven.

1.2 Bring ICANN to the world by creating a balanced and proactive approach to **regional engagement** with stakeholders.

KEY SUCCESS FACTORS (OUTCOMES)

- Broad and effective participation from around the world in ICANN's programs and initiatives demonstrated by an increase in engagement of countries and stakeholder groups worldwide.
- Successful implementation of, and reporting on, regional engagement strategies across all relevant ICANN regions.
- More geographic diversity of accredited Registrars and Registries.

STRATEGIC RISKS

- Governments and/or international organizations reject model of ICANN as a stand-alone global organization, and push for absorption into UN or other governmental system.
- Failure or disruption of existing organizations in the Internet ecosystem.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

1.1 Further globalize and regionalize ICANN functions.

→ 1.2 Bring ICANN to the world by creating a balanced and proactive approach to regional engagement with stakeholders.

1.3 Evolve policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

1.3 Evolve **policy development and governance processes, structures and meetings** to be more accountable, inclusive, efficient, effective and responsive.

KEY SUCCESS FACTORS (OUTCOMES)

- Clear, effective and predictable policy development and decision-making processes (including cross-community collaboration) that allow for greater inclusion by diverse global stakeholders resulting in implementable ICANN policies and advice.
- Wide use of improved tools and mechanisms for global participation and representation, including the use of remote participation to engage stakeholders from emerging regions.
- Meeting and engagement programs supporting the global, multistakeholder model.
- ICANN's SO/AC structures evolved to increase efficiencies and effectiveness and meet the needs of a broad and inclusive global community.
- Decision-making is seen as open, transparent, inclusive and legitimate.

STRATEGIC RISKS

- Fail to reach agreement on framework for evolving structure.
- National laws (e.g. in privacy and cyber security areas) adversely affect ICANN policy development and implementation.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

1.1 Further globalize and regionalize ICANN functions.

1.2 Bring ICANN to the world by creating a balanced and proactive approach to regional engagement with stakeholders.

→ 1.3 Evolve policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

The unique identifier ecosystem of cooperating parties faces immense change while seeking to define itself and evolve. The activity on the Internet reflects the full range of human motivations and conduct. In part, such activity reflects the open nature of the Internet that has made it successful, enabled innovation at its edge, and allowed for the sharing of knowledge, creativity and commerce in a global commons.

By the end of 2013, there were more mobile devices than people on the planet. By the end of 2020, it is estimated there will be as many as one trillion "things" connected to the Internet, many using the DNS and all using IP addresses as a platform for a range of services for the world's users. This will expand the very nature of the Internet from an on-demand human service to an always on, near continuous use service for sensors and machines.

New use of domain names, including the availability of new TLDs, are driving change and expansion – inspiring new Internet applications, but also creating the possibility of consumer confusion, as well as introducing new challenges in security and stability at all levels of the hierarchical system. A challenge will be to concentrate on the ecosystem's resilience and ability to maintain its structure and function over time in the face of external stress.

By contrast, the rise of apps for mobile devices (having reached 45 billion downloads in 2013 and expected to reach 350 billion by 2018) is putting the future and even relevance of domain names in question, while heightening the importance of IP addresses in the background as unique identifiers to connect users to their intended destination in a global interoperable Internet. The exhaustion of IPv4, and either the gradual migration to IPv6 or the increased use of address sharing techniques, will result in changes to the addressing ecosystem that will effect how addresses are used and managed.

The growing and evolving unique identifier industry is operating within that changing landscape. ICANN will engage stakeholders to help support and plan for the industry's evolution and empower a global and responsible industry that fosters growth and innovation.

TO ACHIEVE THIS STRATEGIC OBJECTIVE, ICANN SEEKS TO:

2.1 Foster and coordinate a healthy, secure, **stable, and resilient** identifier ecosystem.

CLICK FOR MORE INFO →

2.2 Proactively plan for changes in the **use of unique identifiers** and develop **technology roadmaps** to help guide ICANN activities.

CLICK FOR MORE INFO →

2.3 Support the evolution of domain name marketplace to be **robust, stable and trusted**.

CLICK FOR MORE INFO →

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

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3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

2.1 Foster and coordinate a healthy, secure, **stable, and resilient** identifier ecosystem.

KEY SUCCESS FACTORS (OUTCOMES)

- Increased collaboration with the global community that improves the security, stability and resiliency of the unique identifier ecosystem (including updates of the root zone, Internet numbers registries, and protocol parameter registries, operation of the "L" root server, and other operational infrastructure supporting the identifier ecosystem).
- Ecosystem is able to withstand attacks or other events without loss of confidence in the operation of the unique identifier system.
- Unquestionable, globally recognized legitimacy as coordinator of unique identifiers.
- Reduction of government/industry/other stakeholders' concerns regarding availability of IP addresses.
- Strengthened arrangements, including commitments, roles and responsibilities, with entities that directly use IANA services.
- Successful transition of the IANA functions stewardship to ICANN as announced by the NTIA.
- Globally accepted, reliable, secure, and trusted services to facilitate access to, and update of, identifier registration data.

STRATEGIC RISKS

- Major attack or event results in failure of the DNS root name server system, TLD(s) of substantial size, routing system, or other significant identifier systems in which ICANN plays a role that causes loss of confidence in the administration of the IANA functions, Internet identifier ecosystem, or internationalization of ICANN.
- Ecosystem members' resistance to collaboration leads to gaps in DNS or other identifier administration best practices.
- Fragmentation of the Internet as a result of insufficient/incomplete technology transition.
- User confusion or routing system failure due to widespread unauthorized reuse of allocated IPv4 addresses.
- Failure of the identifier registration data services to gain acceptance by, or meet the needs of, the users of the identifier ecosystem.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

→ 2.1 Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystem.

2.2 Proactively plan for changes in the use of unique identifiers and develop technology roadmaps to help guide ICANN activities.

2.3 Support the evolution of domain name marketplace to be robust, stable and trusted.

3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

2.2 Proactively plan for changes in the **use of unique identifiers** and develop **technology roadmaps** to help guide ICANN activities.

KEY SUCCESS FACTORS (OUTCOMES)

- The unique identifier system evolves to meet the world's needs.
- Effective coordination with the IETF and other forums that focus on protocol and technology changes.
- Improved technical acceptance of new TLDs, including Internationalized Domain Names (IDNs), within operating systems, applications, services, etc.
- Unique identifiers are used for the development of new technologies and enhancements to existing technologies.

STRATEGIC RISKS

- Failure to respond to changes occurring outside ICANN's control.
- Unanticipated threats and attacks using new technologies.
- Insufficient planning leads to lack of unique identifier security, stability, and/or resiliency that retards or constrains growth of new or existing technologies.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

2.1 Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystem.

→ 2.2 Proactively plan for changes in the use of unique identifiers and develop technology roadmaps to help guide ICANN activities.

2.3 Support the evolution of domain name marketplace to be robust, stable and trusted.

3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

2.3 Support the evolution of domain name marketplace to be **robust, stable and trusted**.

KEY SUCCESS FACTORS (OUTCOMES)

- Credible and respected industry that is compliant with its responsibilities as demonstrated by open, transparent, and accountable systems, policies, and procedures implemented using best practices.
- High confidence in ICANN's coordination of the domain name system.

STRATEGIC RISKS

- Conflicting agendas of key players thwart cooperation and evolution of marketplace to serve the public interest.
- Loss of confidence in ICANN's coordination of the domain name marketplace.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

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2.1 Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystem.

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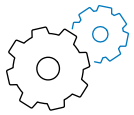

3 Advance **organizational**, **technological** and **operational excellence**.

As the Internet and world around us changes, so too must ICANN. We will not change *Why* we do what we do. We will not change *What* we do. But to respond to the many and varied external forces and growing demand that our global stakeholders face, we must continue to perfect *How* we do what we do.

ICANN seeks to mature our organization—to improve the skillsets, processes, and technologies through which we operate to deliver services to the ICANN community and the public. We seek to develop a greater ability to meet the speed and scale of innovation happening around us and deliver with excellence in everything we do.

TO ACHIEVE THIS STRATEGIC OBJECTIVE, ICANN SEEKS TO:

3.1 Ensure ICANN's **long-term financial accountability**, **stability and sustainability**.

CLICK FOR MORE INFO →

3.2 Ensure structured **coordination of ICANN's technical resources**.

CLICK FOR MORE INFO →

3.3 Develop a globally diverse **culture of knowledge and expertise** available to ICANN's Board, staff and stakeholders.

CLICK FOR MORE INFO →

STRATEGIC OBJECTIVES

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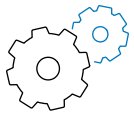

3.1 Ensure ICANN's **long-term financial accountability, stability and sustainability**.

KEY SUCCESS FACTORS (OUTCOMES)

- New initiatives are introduced with the full understanding and consideration of financial and organizational impact involved.
- ICANN has an established planning process with effective community engagement, including a Five-Year Strategic Plan informing operational planning and budgeting.
- ICANN is recognized by the global community as a fiscally responsible organization.

STRATEGIC RISKS

- Lack of commitment to fund organizational and/or financial excellence.
- Market-driven disruption of revenue model.

STRATEGIC OBJECTIVES

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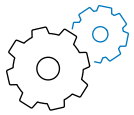

3.2 Ensure structured **coordination of ICANN's technical resources**.

KEY SUCCESS FACTORS (OUTCOMES)

- Top tier global IT infrastructure performing at 99.999% uptime (5 minutes or less of unplanned downtime anywhere in the world, in a year) in FY2020 through effective resource management and best practices.[3]
- ICANN is recognized by the global community as having technical excellence and thought leadership.

STRATEGIC RISKS

- ICANN suffers significant technical failures.
- Lack of commitment to fund or otherwise ensure technical excellence.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

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4 Promote ICANN's role and **multistakeholder** approach.

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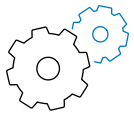
[3] *This applies to ICANN's IT infrastructure; the operation of the L Root server will continue to target 100% availability.*



3.3 Develop a globally diverse **culture of knowledge and expertise** available to ICANN's Board, staff and stakeholders.

KEY SUCCESS FACTORS (OUTCOMES)

- Organization has established systems to attract and retain the very best talent globally, and to develop and motivate Board, staff and stakeholders to achieve their highest potential and contributions to ICANN.
- ICANN is recognized by the global community as having technical excellence and thought leadership.
- Decisions are informed by the best available operational, technical and legal expertise from within and outside the ICANN community.

STRATEGIC RISKS

- ICANN community grows to become insular and prevents the use of the best available expertise and creates barriers to ICANN participation.
- Lack of commitment to fund or otherwise ensure technical excellence.

STRATEGIC OBJECTIVES

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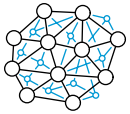

4 Promote ICANN's role and **multistakeholder** approach.

Role clarity is a key challenge for the Internet governance ecosystem, as both the Internet and global geopolitical landscapes are in a near-constant state of change. As a byproduct of this continuous change, organizational overlaps and gaps among the administrative and governing groups emerge. The result can be unhealthy competition, misunderstood intentions, strained relations, or duplication of effort and inefficient use of resources to solve problems. Or worse, the result can mean critical issues facing the Internet go unaddressed or unmanaged, exposing the world to their risks.

ICANN seeks this role clarity for itself. We strive to clarify the linkages and frameworks that underlie ICANN's responsibilities in the current Internet ecosystem. We commit to developing ways to maintain and enhance ICANN's stewardship in an evolving ecosystem. We pledge to cultivate thought leadership on ways in which ICANN can serve a complex set of Internet constituencies. We also commit to strengthening relationships with members of this evolving ecosystem to achieve our shared goals and serve the public interest.

By extension of this effort, and without seeking to expand its role and mandate, ICANN commits to contributing to creating greater role clarity for the entire Internet governance ecosystem. We see opportunity for the ecosystem to be stronger together through greater cooperation and coordination. In this, we pledge open, transparent communications to foster a single, open, global Internet for worldwide benefit.

TO ACHIEVE THIS STRATEGIC OBJECTIVE, ICANN SEEKS TO:

4.1 Encourage engagement with the existing Internet governance ecosystem at national, regional and international levels.

CLICK FOR MORE INFO →

4.2 Clarify the role of governments in ICANN and work with them to strengthen their commitment to supporting the global Internet ecosystem.

CLICK FOR MORE INFO →

4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder **Internet governance ecosystem** that addresses Internet issues.

CLICK FOR MORE INFO →

4.4 Promote role clarity and establish mechanisms to **increase trust** within the ecosystem rooted in the public interest.

CLICK FOR MORE INFO →

STRATEGIC OBJECTIVES

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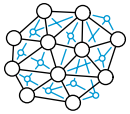

4.1 **Encourage engagement** with the existing Internet governance ecosystem at national, regional and international levels.

KEY SUCCESS FACTORS (OUTCOMES)

- ICANN's legitimate role and ability to meet the public's needs are unquestioned and fully trusted by relevant Internet organizations, governments, international organizations and stakeholders worldwide.
- Strengthened frameworks for partnership and engagement with Internet organizations, governments and stakeholders to support inclusive, collaborative participation in ICANN.

STRATEGIC RISKS

- Perception that ICANN's engagement is an effort to expand its role and mandate.
- Failure of engagement to forestall forces that seek to have the governance of the unique identifier system transferred to a non-inclusive governance environment.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

3 Advance **organizational**, **technological** and **operational excellence**.

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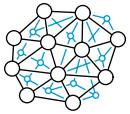


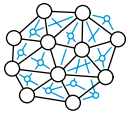
4.2 Clarify the role of governments in ICANN and work with them to strengthen their commitment to supporting the global Internet ecosystem.

KEY SUCCESS FACTORS (OUTCOMES)

- Governments believe that their participation in ICANN and the broader, multistakeholder Internet governance ecosystem meets the needs of their citizens.
- Frameworks for partnership and engagement with Internet organizations and governments are functioning and supporting more inclusive, collaborative participation in ICANN.

STRATEGIC RISKS

- Environmental and geopolitical change causes governments or other stakeholders to change their involvement and participation in ICANN.
- Perception that particular governments or IGOs are inappropriately influencing ICANN's mandates.
- Fragmentation of the logical/technical layer of the Internet.



4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder **Internet governance ecosystem** that addresses Internet issues.

KEY SUCCESS FACTORS (OUTCOMES)

- ICANN is an effective contributor and supporter of a global and reliable Internet governance ecosystem and that addresses technical and non-technical issues for the global community.
- Recognition by decision-makers across stakeholder sectors of the multistakeholder approach to govern the Internet.
- Demonstrate leadership by implementing best practices in multistakeholder mechanisms within the distributed Internet governance ecosystem while encouraging all stakeholders to implement the principles endorsed at NETmundial.
- Proliferation of national and regional multistakeholder Internet governance structures.

STRATEGIC RISKS

- Failure of Internet related organizations that impact the Internet ecosystem and threatens the preservation of one, open, secure global Internet.
- Failure to reach agreements on partnerships and objectives to serve the broader Internet community.
- Pressure on ICANN to expand its remit.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

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→ 4.3 Participate in the evolution of a global, trusted, inclusive multistakeholder Internet governance ecosystem that addresses Internet issues.

4.4 Promote role clarity and establish mechanisms to increase trust within the ecosystem rooted in the public interest.

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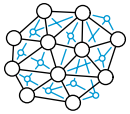

4.4 Promote role clarity and establish mechanisms to **increase trust** within the ecosystem rooted in the public interest.

KEY SUCCESS FACTORS (OUTCOMES)

- Shared understanding by Board, staff and stakeholders of the allocation of responsibilities for design, development and implementation of policy and operational processes.
- Shared understanding of the roles, responsibilities and accountability of the Board, staff and stakeholders.
- Board, staff, and stakeholders use best practices and exercises appropriate behavioral norms.

STRATEGIC RISKS

- Failure to achieve targets for global diversity in ICANN, and for accommodating political and cultural differences in ICANN.
- Failure to align on a common framework for decision-making and allocation of responsibilities.
- As ICANN grows, inability to manage potential conflicts of interest and capture within the Board, stakeholders and staff.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

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5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

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The Internet is a shared global resource, the greatest platform for knowledge in the history of the world. It drives continuous change in everything it touches: business, education, government, technology, and society.

As the Internet grows worldwide and society increases its dependency on it for all manner of activity, the Internet's systems of unique identifiers become more important and of global public interest. ICANN seeks to develop a public responsibility framework for promoting the global public interest in the coordination of the Internet's unique identifier systems and in furtherance of ICANN's mission.

The framework will clarify ICANN's roles, objectives and milestones in promoting the public interest through capacity building, and increasing the base of internationally diverse, knowledgeable, and engaged ICANN stakeholders.

TO ACHIEVE THIS STRATEGIC OBJECTIVE, ICANN SEEKS TO:

5.1 Act as a **steward of the public interest**.

CLICK FOR MORE INFO →

5.2 Promote **ethics, transparency and accountability** across the ICANN community.

CLICK FOR MORE INFO →

5.3 Empower current and new stakeholders to fully participate in ICANN activities.

CLICK FOR MORE INFO →

STRATEGIC OBJECTIVES

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5.1 Act as a steward of the public interest.

KEY SUCCESS FACTORS (OUTCOMES)

- The ICANN community's decision and policy-making structures and processes are driven by a clear understanding of the public interest, including a healthy unique identifier system and marketplace.
- The 'L' root server and related infrastructure is enhanced to continually improve the services provided for the public interest.
- Common use across the ICANN community of best practices that demonstrate commitment to the public interest.
- Streamlined reviews that demonstrate the effectiveness of best practices in support of the public interest.

STRATEGIC RISKS

- Inability to reach consensus on what constitutes "public interest".
- Privacy concerns impact the ability to improve root services.
- ICANN community does not reach consensus on best practices related to the public interest.
- Perception that ICANN is driven by selected interests rather than the public interest.
- ICANN's structures evolve in a manner that results in capture or perception of capture by groups of stakeholders.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

3 Advance **organizational**, **technological** and **operational excellence**.

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5.2 Promote **ethics, transparency and accountability** across the ICANN community.

KEY SUCCESS FACTORS (OUTCOMES)

- Shared agreement on an accountability framework for the ICANN community.
- Effective accountability mechanisms and transparency procedures supporting enhanced ICANN accountability and governance.
- Effective and clearly defined ethical framework implemented across the ICANN community.
- Demonstrated accountability and legitimacy of ICANN, through the evolution of the Affirmation of Commitments and implementation of review mechanisms.

STRATEGIC RISKS

- Harm to ICANN legitimacy due to failure to comply with accountability and transparency processes.
- Failure to achieve international agreement on the evolution of the accountability and transparency obligations.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

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3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

5.1 Act as a steward of the public interest.

→ 5.2 Promote ethics, transparency and accountability across the ICANN community.

5.3 Empower current and new stakeholders to fully participate in ICANN activities.

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KEY SUCCESS FACTORS (OUTCOMES)

- Increased accessibility, knowledge and capability of participants in the ICANN community.
- ICANN's public responsibility activities remain within its mission.
- Balanced regional participation of ICANN stakeholders, especially those from under-represented, developing economies and communities.

STRATEGIC RISKS

- Perception that public responsibility activities are designed for ICANN to wield influence.
- Failure to overcome the perception that ICANN is not globally inclusive.

STRATEGIC OBJECTIVES

1 Evolve and further **globalize** ICANN.

2 Support a healthy, stable, and resilient **unique identifier ecosystem**.

3 Advance **organizational**, **technological** and **operational excellence**.

4 Promote ICANN's role and **multistakeholder** approach.

5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

5.1 Act as a steward of the public interest.

5.2 Promote ethics, transparency and accountability across the ICANN community.

→ 5.3 Empower current and new stakeholders to fully participate in ICANN activities.

ICANN Five-Year Operating Plan

Fadi Chehadé | Board Meeting | April 2015

Agenda

A Planning Process

B Public Comments

C Revisions to Version 1

D Update Cycle – Annual

Section A
Planning Process

Planning Process

Process to Finalize Five-Year Operating Plan

Draft Five-Year Operating Plan V1– Public Comments:
https://www.icann.org/public-comments/proposed-opplan-budget-2016-2020-2014-11-11-en

5 Strategic Objectives

1. Evolve and further **globalize** ICANN

2. Support a healthy, stable, and resilient **unique identifier ecosystem**

3. Advance **organizational, technological** and **operational excellence**

4. Promote ICANN's role and **multistakeholder** approach

5. Develop and implement a **global public interest** framework bounded by ICANN's mission.

Section B
Public Comments

Summary of Public Comments

1	Positive feedback regarding the development (process & format) of the Draft Five-Year Operating Plan Version 1
2	Key Performance Indicators (KPIs) and several other areas need to be more specific and clear
3	Positive feedback regarding the inclusion of a Five-Year Financial Model enhancing transparency

Feedback Result Count

Respondents	Planning / Process	KPIs	Dependencies	Phasing	Financial Model	Other
Business Constituency		4	1		1	3
Intellectual Property Constituency		5	1	1		3
U.S. Chamber of Commerce		1				2
ccNSO Strategy & Operating Plan WG	2	13		2	6	9
Registries Stakeholder Group		8		4	3	3
Center for Data Innovation		2		1		4
ALAC		3		1		6
Noncommercial Users Constituency		2		1		8
Total (8/100)	**2**	**38**	**2**	**10**	**10**	**38**

Planning/Process – Comments & Response

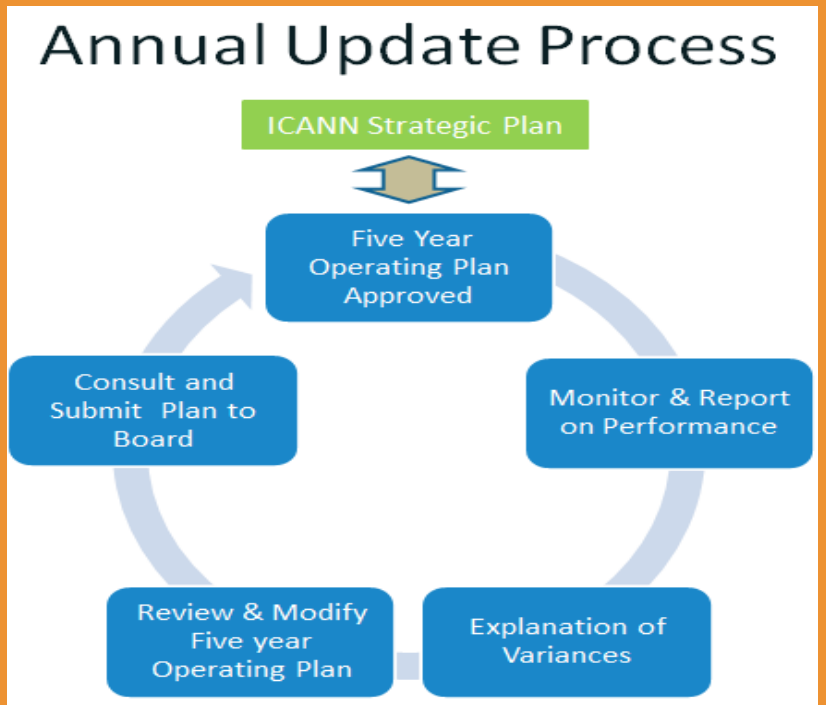
Comments

1. Acknowledged and complimented on process improvements

2. Need more clarification regarding the future update process of the Five-Year Operating Plan, and emphasized community involvement

Response

Five-Year Operating Plan will be updated each year, and will involve the stakeholders



KPI – Comments & Response

Comments

1. Requested KPI clarifications

2. Recommended KPIs to evolve and improve over time, and to involve stakeholders in KPI review and development

3. Suggested KPI modifications to enhance quality

Response

1. Refinements made to KPIs

2. Fully agree

3. Reviewed suggestions and made modifications where appropriate

Dependencies – Comments & Response

Comments

1. Recommended modifications to the dependencies of goal 4.3

2. Emphasized that community bandwidth is not just a dependency for 2.3 but supports ICANN's success in all areas

Response

1. Accepted and revised 4.3 dependencies

1. Fully agree! Included this key point in the "Introduction" section

Phasing – Comments & Response

Comments

1. Requested clarification of some phasing descriptions

1. Suggested SO/AC Special Request process to be included and aligned with the Five-Year and Annual Planning Processes

2. Suggested changing the targets in the adopted Strategic Plan

Response

1. Clarifications added

2. SO/AC Special Request process will be incorporated going forward

3. Changes to the Strategic Plan is scheduled to take place in FY19, unless significant event(s) necessitate

Financial – Model Comments & Response

Comments

1. Compliments regarding the financial model
2. Desired more project cost details and change updates
3. Needed more clarification regarding new gTLDs expense assumptions

Response

1. Appreciate the positive feedback
2. Project costs to be provided in the Annual Operating Plan & Budget, and target to communicate change updates
3. Added clarification of the new gTLDs expense assumptions

Other – Comments & Response

Comments	Response
1. Noted minor typographical and grammatical corrections	1. Corrected
2. Suggested description clarities	2. Improved clarity in several areas
3. Suggested Strategic Plan edits	3. Changes to the Strategic Plan is scheduled to take place in FY19, unless significant event(s) necessitate

Section C
Revisions to Version 1

Revision Highlights

- Planning –
  - Noted – Operating Plan will be updated annually
- KPIs –
  - Reviewed and refined
- Dependencies –
  - Noted in the "Introduction" section – the key dependency of stakeholder bandwidth and support
- Phasing –
  - Added clarity
- Financial Model –
  - Clarified new gTLD expense assumptions
- Other –
  - Edited and added clarity

Version 2:

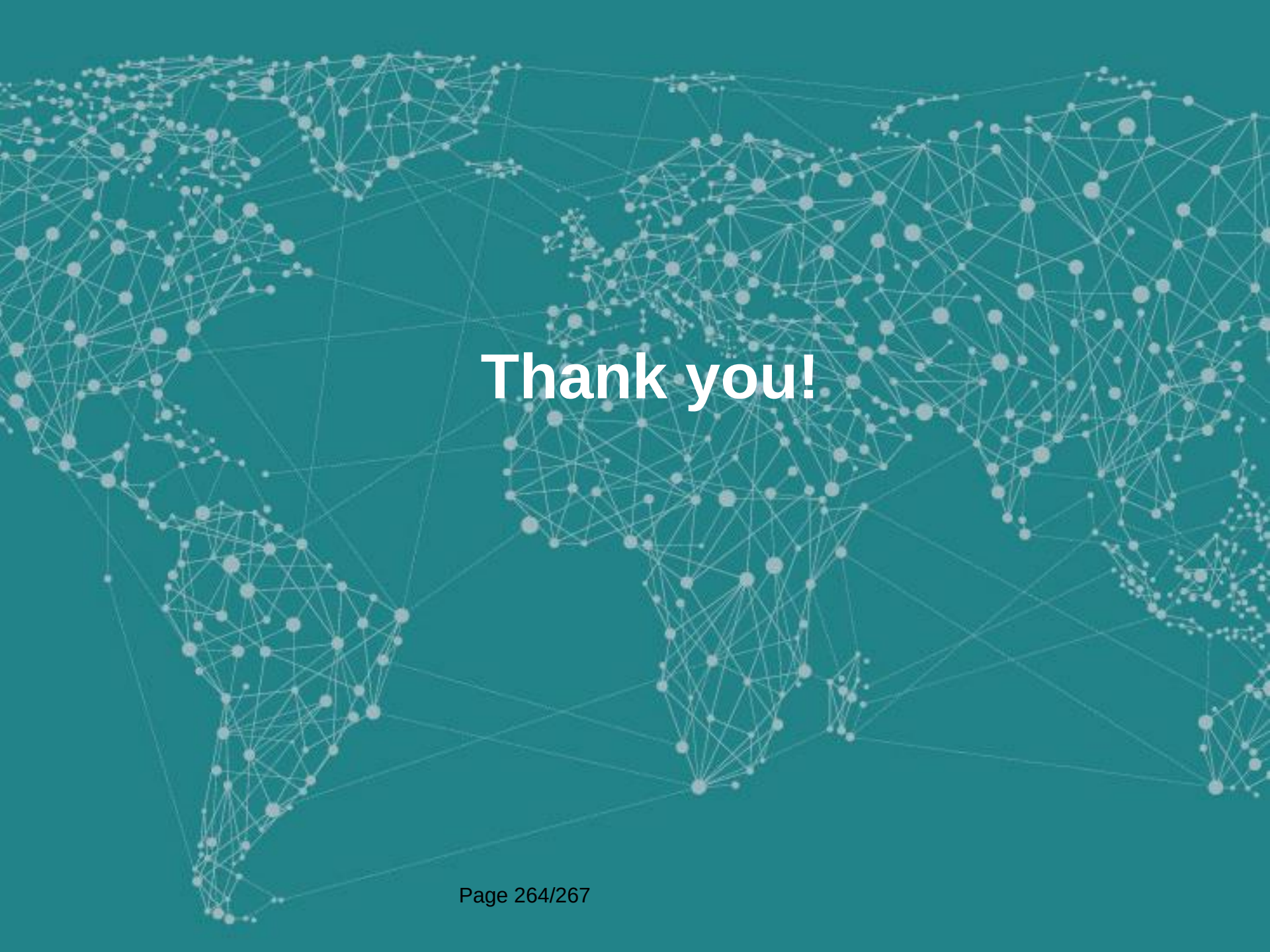
Clean – link

Redlined – link

Section D
Update Cycle - Annual

Annual Update Process

Next update: FY17 – process to begin August 2016


Thank you!

Pages 265-267 Removed - Superseded by document titled "2015-04-26-2g-Ref-Mat-Digital Services Review-Rev 1.docx"