

**Board Briefing Materials - 7 November 2019 Regular Board Meeting (Redacted)**  
The originally published version of this document contained information that was withheld from publication in accordance with the [ICANN Publication Practices](#). An updated document disclosing information previously withheld is now available at <https://itp.cdn.icann.org/en/files/board-meetings/briefing-materials/briefing-materials-1-1-07-11-2019-en.pdf>

**ICANN BOARD OF DIRECTORS  
SUBMISSION NO. 2019.11.07.1b**

**TITLE:** **Convening of the Root Server System Governance Working Group**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

Under the direction of the ICANN Board, ICANN org prepared a “[Concept Paper on a Community-Driven Process to Develop a Final Model Based on RSSAC037](#)” (Concept Paper) as part of the ICANN Board’s consideration of “[RSSAC037: A Proposed Governance Model for the DNS Root Server System](#)” (RSSAC037) and “[RSSAC038: RSSAC Advisory on a Proposed Governance Model for the DNS Root Server System](#)” (RSSAC038). The Concept Paper outlines a community-driven process to develop a final governance model for the Root Server System (RSS) to be led by the Root Server System Governance Working Group (GWG). The ICANN Board Technical Committee directed ICANN org to develop a [draft charter, operating procedures](#), and [work plan](#) for the GWG.

RSSAC037; the Concept Paper; and the GWG draft charter, operating procedures, and work plan were available for [Public Comment](#) from May to August 2019. [Nine submissions](#) were received during Public Comment. ICANN org [summarized the submissions](#) and proposed next steps to the Board Technical Committee. The Board Technical Committee reviewed the Public Comment submissions, recommended amendments to the charter and operating procedures of the GWG, adjusted the work plan timeline of the GWG, and recommended the convening of the GWG.

**BOARD TECHNICAL COMMITTEE RECOMMENDATION:**

The Board Technical Committee recommends that the ICANN Board direct the ICANN President and CEO, or his designee, to publish the final charter, operating procedures, and work plan for the GWG and to convene the GWG.

**PROPOSED RESOLUTION:**

Whereas, the ICANN Bylaws establish the Root Server System Advisory Committee (RSSAC) with the role to advise the ICANN community and ICANN Board of Directors on matters relating to the operation, administration, security, and integrity of the Internet's Root Server System.

Whereas, the RSSAC published "RSSAC037: A Proposed Governance Model for the DNS Root Server System" (RSSAC037) proposing five functions to provide governance, accountability, and transparency for the Root Server System and "RSSAC038: RSSAC Advisory on a Proposed Governance Model for the DNS Root Server System" (RSSAC038) making three recommendations for next steps to the ICANN Board.

Whereas, the ICANN Board, through its Board Technical Committee, oversaw the development of a "Concept Paper on a Community-Driven Process to Develop a Final Model Based on RSSAC037," (Concept Paper) proposing a model based on the RSSAC037.

Whereas, the Concept Paper proposed a community-driven process to develop a final model to be led by the Root Server System Governance Working Group (GWG) in response to recommendation one from RSSAC038.

Whereas, under the direction of the Board Technical Committee, ICANN org developed a draft charter, operating procedures, and work plan for the GWG.

Whereas, ICANN org published RSSAC037; the Concept Paper; and the GWG draft charter, operating procedures, and work plan for Public Comment from May to August 2019.

Whereas, nine submissions were received during Public Comment. ICANN org summarized the submissions and proposed next steps to the Board Technical Committee.

Whereas, the Board Technical Committee reviewed the Public Comment submissions, amended the charter and operating procedures of the GWG, adjusted the work plan timeline of the GWG, and recommended the convening of the GWG.

Resolved (2019.11.07.XX), the ICANN Board directs the ICANN President and CEO, or his designee, to publish the final charter, operating procedures, and work plan for the GWG and to convene the GWG.

**PROPOSED RATIONALE:**

Following the Internet Assigned Numbers Authority (IANA) stewardship transition, the RSSAC developed an initial framework to evolve the Root Server System (RSS). In June 2018, RSSAC published its proposed governance model for the RSS and the Root Server Operators in “RSSAC037: A Proposed Governance Model for the DNS Root

Server System” (RSSAC037). The RSSAC037 Model calls for five functions to provide governance, accountability, and transparency for the RSS. The RSSAC concurrently published “RSSAC038: RSSAC Advisory on a Proposed Governance Model for the DNS Root Server System (RSSAC038). In RSSAC038, the RSSAC makes three recommendations for next steps in RSSAC038 to the ICANN Board.

Since then, the ICANN Board, through the Board Technical Committee, oversaw the development of a “Concept Paper on a Community-Driven Process to Develop a Final Model Based on RSSAC037” (Concept Paper) as part of the ICANN Board’s consideration of RSSAC037. The Concept Paper proposes a model (Concept Model) based on the RSSAC037. The Concept Model establishes three new groups: The Root Server System Governance Board, the Root Server System Standing Committee, and the Root Server Operator Review Panel. In addition to these groups, ICANN org would manage Financial and Secretariat Functions.

The Concept Paper also outlines a community-driven process to develop a final governance model for the RSS. This is in response to recommendation one from RSSAC038, which calls on the ICANN Board to “initiate a process to produce a final version of the Model for implementation based on RSSAC037”. There are three phases in the community-driven process: Design, Consultation, and Implementation. During the implementation phase, there are two tracks. The Root Server System Governance Working Group (GWG) will lead the Structural Track to develop a final model, and ICANN org will lead the Administrative Track to plan for implementation of a final model.

The ICANN Board Technical Committee directed ICANN org to develop a draft charter, operating procedures, and work plan for the GWG. RSSAC037; the Concept

Paper; and the GWG draft charter, operating procedures, and work plan were available for Public Comment from May to August 2019. Nine submissions were received during Public Comment. ICANN org summarized the submissions and proposed next steps to the Board Technical Committee. The Board Technical Committee reviewed the Public Comment submissions, amended the charter and operating procedures of the GWG, adjusted the work plan timeline of the GWG, and recommended the convening of the GWG.

RSSAC037; the Concept Paper; and the GWG charter, operating procedures, and work plan provide a starting point for discussions in the ICANN community about evolving RSS governance. By convening the GWG, the ICANN Board completes its consideration of recommendation one from RSSAC038. Furthermore, the ICANN Board continues its evaluation and consideration of recommendations two and three from RSSAC038.

This action is within ICANN's mission and within its role of facilitating the coordination of the operation and evolution of the RSS. It is in the public interest because it supports the enhancement and evolution of the DNS. Supporting the evolution of RSS governance contributes to the commitment of ICANN to strengthen the security, stability, and resiliency of the DNS. Evolving RSS governance will result in significant changes to the ICANN community and ICANN org. The community-driven process to develop a final model envisions considerable work and commitment of resources. Any budgetary and financial implications will be handled through ICANN processes that ensure accountability and transparency.

Submitted by: Akinori Maemura  
Position: Chair, ICANN Board Technical Committee  
Date Noted: 21 October 2019  
Email and Phone Number [akinori.maemura@board.icann.org](mailto:akinori.maemura@board.icann.org)

# Charter and Operating Procedures

## Root Server System Governance Working Group (GWG)

### Purpose and Mandate

The GWG is the core of the community-driven process to develop a final cooperation and governance model for the Root Server System (RSS). The GWG shall embrace the principles outlined in “RSSAC037: A Proposed Governance Model for the DNS Root Server System” (RSSAC037).

### Scope

In fulfilling its purpose and mandate, the GWG shall respect the independence of the Root Server Operators (RSOs) as defined by the Root Server System Advisory Committee (RSSAC) in “RSSAC042: RSSAC Statement on Root Server Operator Independence.”

### Deliverable

The GWG shall develop a final model (“GWG Model”) of cooperation and governance for the RSS and present its deliverable to the RSSAC, ICANN Board, IETF/IAB, and RSOs. The GWG shall refer to RSSAC037 and the Concept Paper as source documents, as well as feedback from Public Comment.

The GWG Model will inform the discussions and deliberations of the ICANN Board in responding to RSSAC037 and determining next steps in the evolution of the RSS in conjunction with the RSSAC and RSS stakeholders.

### Composition

The GWG shall comprise ten (10) invited representatives due to their subject matter expertise:

- Two (2) from the Country Code Names Supporting Organization (ccNSO)
- Two (2) from the Internet Engineering Task Force/Internet Architecture Board (IETF/IAB)
- Two (2) from the Registries Stakeholder Group (RySG)
- Three (3) from the Root Server Operators (RSOs)
- One (1) from the Security and Stability Advisory Committee (SSAC)

The GWG shall also comprise three (3) liaisons:

- One (1) from the ICANN Board
- One (1) from the Internet Assigned Numbers Authority (IANA)
- One (1) from the Root Zone Maintainer (RZM)

The representatives and liaisons will provide input that informs GWG discussions and decisions. Every member of the GWG will provide a statement of interest and disclose potential conflicts of interest. GWG members are not compensated.

Representation on the GWG will not be the only source of stakeholder participation. Rather, the GWG is expected to undertake proactive engagement and consultation with the wider community as part of its process. The GWG will seek informed contributions when necessary.

The At-Large Advisory Committee (ALAC), Address Supporting Organization (ASO), Governmental Advisory Committee (GAC), broader Generic Names Supporting Organization (GNSO) community, and global Internet community will be invited to provide input on the outcomes of the GWG via Public Comment.

## Leadership

The GWG shall elect from its representatives a chair to manage its work and preside over GWG meetings.

## Decisions

The GWG shall operate on the basis of consensus. For the purposes of GWG work and outcomes, consensus, to be determined by the chair, is based on general agreement without any formal objections. If consensus cannot be achieved, the GWG representatives may make decisions and adopt outcomes by vote. A vote passes with a simple majority (half plus one) of GWG representatives present in the meeting. Prior to all votes, a quorum must be established. A quorum is a simple majority (half plus one) of GWG representatives.

## Transparency

The GWG shall work openly and transparently. GWG mailing lists shall be publicly archived. GWG meetings shall be recorded and publicly archived; minutes of GWG meetings shall be published as soon as possible following approval by the GWG. The GWG shall conduct its work remotely and align any meetings with existing events already supported by ICANN org.

## Work Plan and Reporting

The GWG shall adopt, publish, and adhere to a work plan. The GWG shall provide a monthly report to the ICANN Board (through the Board Technical Committee) and a report to the ICANN community ahead of every ICANN Public Meeting.

## Dissolution

The GWG shall dissolve after the RSSAC, ICANN Board, IETF/IAB, and RSOs consider the outcomes of the GWG.

## Resources and Support

ICANN org shall provide necessary resources and support staff for the GWG. The support staff are designated by ICANN org and report to ICANN org.

# Work Plan

## Root Server System Governance Working Group (GWG) and ICANN org

Dates	Structural Track	Administrative Track
January 2020 to June 2020 (ICANN68)	<p>GWG develops a final model (GWG Model).</p> <p>GWG reviews RSSAC037, Concept Paper, and Public Comment feedback.</p> <p>GWG develops initial set of SLEs.</p>	<p>ICANN org develops proposed methodology for cost estimates and reviews with GWG and the ICANN Board.</p> <p>ICANN org creates cost estimates for the current RSS.</p> <p>By June 2020 (ICANN68), ICANN org reviews potential conflicts of interest concerns related to its role as an RSO and performing the Finance Function and Secretariat Function.</p>
July 2020 to October 2020 (ICANN69)	<p>GWG produces an assessment report of the ICANN org conflict of interest review.</p> <p>GWG finalizes charters of any new groups.</p>	<p>ICANN org creates cost estimates of the GWG Model and conducts a risk analysis of it, identifying appropriate mitigation strategies.</p>
November 2020 to December 2020	<p>GWG presents SLEs and charters to RSSAC, the ICANN Board, IETF/IAB, and RSOs.</p>	
January 2021 to March 2021 (ICANN70)	<p>ICANN org provides input on funding considerations and the budget process raised through SLEs and charters.</p>	<p>ICANN org produces redline and clean versions of bylaw amendments, initial budgets, and other documentation developed by GWG and ICANN org.</p>

	<p>RSSAC, the ICANN Board, IETF/IAB, and RSOs consider. The ICANN Board's consideration of the SLEs is related to the budgetary impacts.</p> <p>GWG captures feedback.</p> <p>If needed, GWG revises SLEs and charters.</p>	<p>ICANN org presents redline and clean versions of bylaw amendments, initial budgets, and other documentation.</p> <p>The ICANN Board considers.</p> <p>ICANN org captures feedback.</p> <p>ICANN org revises bylaw amendments, budgets, and other documentation</p>
<p>April 2021 to June 2021 (ICANN71)</p>	<p>If needed, GWG presents revised SLEs and charters to RSSAC, the ICANN Board, IETF/IAB, and RSOs for consideration.</p> <p>The ICANN Board approves resolution directing ICANN org to publish revised SLEs and charters for Public Comment.</p> <p>ICANN org publishes revised SLEs and charters for Public Comment.</p> <p>ICANN org conducts outreach and engagement.</p>	<p>ICANN org presents revised bylaw amendments, budgets, and other documentation to the ICANN Board for approval.</p> <p>The ICANN Board approves resolution directing ICANN org to publish revised bylaw amendments, budgets, and other documentation for Public Comment.</p> <p>ICANN org publishes revised bylaw amendments, budgets, and other documentation developed by GWG and ICANN org for Public Comment.</p> <p>ICANN org conducts outreach and engagement.</p>
<p>July 2021 to August 2021</p>	<p>Public Comment ends.</p> <p>ICANN org summarizes and analyzes feedback captured during Public Comment.</p>	

<p>September 2021 to October 2021 (ICANN72)</p>	<p>(GWG remains available for consultation on GWG Model, SLEs, and charters.)</p> <p>ICANN org finalizes SLEs and charters.</p> <p>ICANN org presents final SLEs and charters to RSSAC, the ICANN Board, IETF/IAB, and RSOs for approval.</p> <p>The ICANN Board approves resolution of final SLEs and charters and directs ICANN org to document SLEs and identify appropriate resourcing for GWG Model.</p>	<p>ICANN org finalizes bylaw amendments, budgets, and other documentation.</p> <p>ICANN org presents final bylaw amendments, budgets, and other documentation to the ICANN Board for approval.</p> <p>The ICANN Board approves resolution of final bylaw amendments and directs ICANN org to execute adopt budgets, and effect other documentation.</p>
<p>November 2021 to December 2021</p>	<p>GWG dissolves.</p>	<p>ICANN Secretary notifies Empowered Community of final bylaw amendments, budgets, and other documentation.</p> <p>Empowered Community Action process occurs as applicable.</p> <p>Empowered Community delivers Notice.</p>
<p>January 2022</p>	<p>New groups established; GWG Model takes effect.</p>	

# Work Plan

## Root Server System Governance Working Group (GWG) and ICANN org

Dates	Structural Track	Administrative Track
<a href="#">January 2020 to June 2020 ( CANN68)</a>	GWG develops a final model (GWG Model)	CANN org develops proposed methodology for cost estimates and reviews with GWG and the CANN Board
	GWG reviews RSSAC037 Concept Paper and Public Comment feedback	CANN org creates cost estimates for the current RSS
	GWG develops initial set of SLEs	<a href="#">By June 2020 ( CANN68) CANN org reviews potential conflicts of interest concerns related to its role as an RSO and performing the Finance Function and Secretariat Function.</a>
July 2020 to October 2020 ( CANN69)	<a href="#">GWG produces an assessment report of the CANN org conflict of interest review.</a> GWG finalizes charters of any new groups	CANN org creates cost estimates of the GWG Model and conducts a risk analysis of it identifying appropriate mitigation strategies
November 2020 to December 2020	GWG presents SLEs and charters to RSSAC the CANN Board ETF/ AB and RSOs	
January 2021 to March 2021 ( CANN70)	CANN org provides input on funding considerations and the budget process raised through SLEs and charters	CANN org produces redline and clean versions of bylaw amendments initial budgets and other documentation developed by GWG and CANN org

Deleted: Draft

Deleted: September 2019 to November 2019 (ICANN66)... November 2019 to March 2020 (ICANN67)

Deleted: November 2019 to March 2020 (ICANN67)

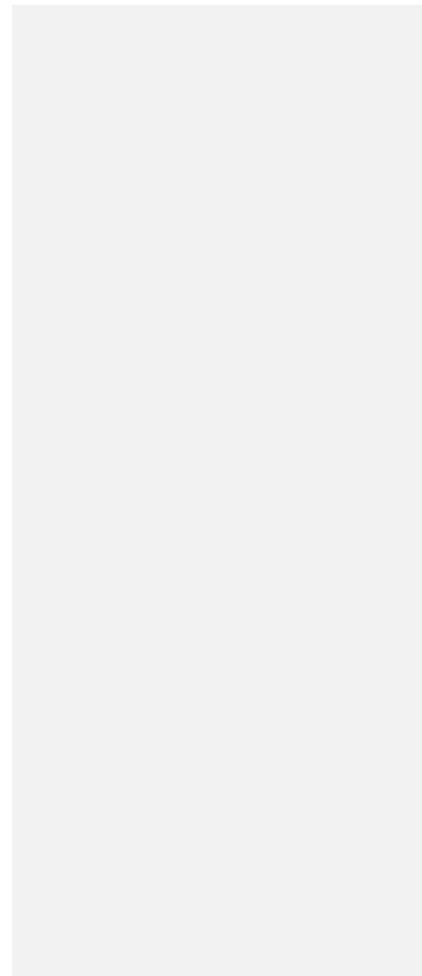
Deleted: 1

Deleted: ICANN org reviews potential conflicts of interest concerns related to its role as an RSO and performing the Finance Function and Secretariat Function.

Deleted: March 2020 to June 2020 (ICANN68) ... [1]

	<p>RSSAC the CANN Board ETF/ AB and RSOs consider The CANN Board's consideration of the SLEs is related to the budgetary impacts</p> <p>GWG captures feedback</p> <p>f needed GWG revises SLEs and charters</p>	<p>CANN org presents redline and clean versions of bylaw amendments initial budgets and other documentation</p> <p>The CANN Board considers</p> <p>CANN org captures feedback</p> <p>CANN org revises bylaw amendments budgets and other documentation</p>
<p>April 2021 to June 2021 ( CANN71)</p>	<p>f needed GWG presents revised SLEs and charters to RSSAC the CANN Board ETF/ AB and RSOs for consideration</p> <p>The CANN Board approves resolution directing CANN org to publish revised SLEs and charters for Public Comment</p> <p>CANN org publishes revised SLEs and charters for Public Comment</p> <p>CANN org conducts outreach and engagement</p>	<p>CANN org presents revised bylaw amendments budgets and other documentation to the CANN Board for approval</p> <p>The CANN Board approves resolution directing CANN org to publish revised bylaw amendments budgets and other documentation for Public Comment</p> <p>CANN org publishes revised bylaw amendments budgets and other documentation developed by GWG and CANN org for Public Comment</p> <p>CANN org conducts outreach and engagement</p>
<p>July 2021 to August 2021</p>	<p>Public Comment ends</p> <p>CANN org summarizes and analyzes feedback captured during Public Comment</p>	

<p>September 2021 to October 2021 ( CANN72)</p>	<p>(GWG remains available for consultation on GWG Model SLEs and charters )</p> <p>CANN org finalizes SLEs and charters</p> <p>CANN org presents final SLEs and charters to RSSAC the CANN Board ETF/ AB and RSOs for approval</p> <p>The CANN Board approves resolution of final SLEs and charters and directs CANN org to document SLEs and identify appropriate resourcing for GWG Model</p>	<p>CANN org finalizes bylaw amendments budgets and other documentation</p> <p>CANN org presents final bylaw amendments budgets and other documentation to the CANN Board for approval</p> <p>The CANN Board approves resolution of final bylaw amendments and directs CANN org to execute adopt budgets and effect other documentation</p>
<p>November 2021 to December 2021</p>	<p>GWG dissolves</p>	<p>CANN Secretary notifies Empowered Community of final bylaw amendments budgets and other documentation</p> <p>Empowered Community Action process occurs as applicable</p> <p>Empowered Community delivers Notice</p>
<p>January 2022</p>	<p>New groups established GWG Model takes effect</p>	





## **ICANN BOARD SUBMISSION No. 2019.11.07.1c**

**TITLE:** **March 2022 ICANN Meeting Venue Contracting**

**PROPOSED ACTION:** **For Board Consideration and Approval**

### **EXECUTIVE SUMMARY:**

The Board is being asked to authorize the organization to take all steps necessary to complete contracting for the host venue and hotels in San Juan, Puerto Rico for the March 2022 ICANN Public Meeting, which require Board approval as the contracts will exceed US\$500,000. The Reference Materials for this paper summarizes the steps taken to locate a site for the March 2022 Public Meeting and outlines the facility costs.

As adopted in the November 2016 modifications to ICANN's Delegation of Authority Guidelines, it is the responsibility of the ICANN President and CEO, and Senior Management to identify and select sites for ICANN's Public Meetings within the budget and meetings strategy approved by the Board.

### **ICANN ORGANIZATION RECOMMENDATION:**

ICANN organization recommends that the Board delegate to the President and CEO, or his designee(s), the authority to take all actions necessary to enter into contracts, and make expense disbursements pursuant to those contracts, for the host venue and hotels in San Juan, Puerto Rico, where ICANN will hold its March 2022 Public Meeting.

### **BOARD FINANCE COMMITTEE (BFC) RECOMMENDATION**

The BFC recommends that the Board delegate to the President and CEO, or his designee(s), the authority to take all actions necessary to enter into contracts, and make expense disbursements pursuant to those contracts, for the host venue and hotels in San Juan, Puerto Rico, where ICANN will hold its March 2022 Public Meeting.

**PROPOSED RESOLUTION:**

Whereas, ICANN intends to hold its first Public Meeting of 2022 in the North America region.

Whereas, ICANN organization has completed a thorough review of the available venues in the North America region and finds the one in San Juan, Puerto Rico to be the most suitable.

Resolved (2019.11.07.xx), the Board authorizes the President and CEO, or his designee(s), to engage in and facilitate all necessary contracting and disbursements for the host venue and hotels for the March 2022 ICANN Public Meeting in San Juan, Puerto Rico, in an amount not to exceed <sup>Confidential Negotiation</sup> <sub>Information</sub>

Resolved (2019.11.07.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article 3, section 3.5(b) of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

**PROPOSED RATIONALE:**

As part of ICANN’s Public Meeting strategy, ICANN seeks to host a meeting in a different geographic region (as defined in the ICANN Bylaws) three times a year. ICANN73 is scheduled for 5-10 March 2022. Following a search and evaluation of available venues, the organization identified San Juan, Puerto Rico as a suitable location for the ICANN Public Meeting.

The organization performed a thorough analysis of the available locations and prepared a paper to identify those that met the Meeting Location Selection Criteria (see <http://meetings.icann.org/location-selection-criteria>). Based on the proposals and analysis, ICANN has identified San Juan, Puerto Rico as the location for ICANN73. Selection of this North American location adheres to the geographic rotation guidelines established by the Meeting Strategy Working Group.

The Board reviewed the organization’s briefing for hosting the meeting in San Juan, Puerto Rico and the determination that the proposal met the significant factors of the Meeting Location Selection Criteria, as well as the related costs for the facilities selected, for the March 2022 ICANN Public Meeting. ICANN conducts Public Meetings in support of its

mission to ensure the stable and secure operation of the Internet's unique identifier systems, and acts in the public interest by providing free and open access to anyone wishing to participate, either in person or remotely, in open, transparent and bottom-up, multistakeholder policy development processes.

There will be a financial impact on ICANN in hosting the meeting and providing travel support as necessary, as well as on the community in incurring costs to travel to the meeting. But such impact would be faced regardless of the location and venue of the meeting. This action will have no impact on the security or the stability of the domain name system.

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

Submitted by:	Nick Tomasso
Position:	VP, Global Meeting Operations
Date Noted:	25 Septmeber 2019
Email:	<a href="mailto:nick.tomasso@icann.org">nick.tomasso@icann.org</a>

## REFERENCE MATERIALS TO BOARD SUBMISSION No. 2019.11.07.1c

**TITLE:**                    **March 2022 ICANN Meeting Venue Contracting**

**DETAILED ANALYSIS:**

**1. Background:**

In 2018, ICANN org conducted an extensive search and analysis of less costly venues for ICANN Meetings that still provide for an excellent meeting experience. Staff recommends the Puerto Rico Convention Center (PRCC) for ICANN73 in March 2022.

**2. Site Visit:**

- San Juan, Puerto Rico: In March of 2018 ICANN61 was held at the PRCC with a very positive response from the community.

**3. Discussion of Issues:**

- Meeting Rooms: The PRCC has excellent conference facilities for an ICANN Meeting.
- Host Hotels: The Sheraton, adjacent to the PRCC, will serve as the host hotel for the Meeting.
- Area Hotels: Many nearby hotels, accessible via a short walk, taxi ride, or ICANN shuttle offer a wide variety of guest room accommodations at varying price points.
- Food & Beverage Outlets: The PRCC will provide food for sale for Meeting delegates at a reasonable cost. In addition, there are several restaurant options in close proximity to PRCC.
- Air Travel: Air access to Puerto Rico is good, with direct flights from many large US cities all arriving at Luis Muñoz Marín International Airport. However, most international itineraries will require one stop in route.
- Ground Transportation: Luis Muñoz Marín International Airport is 10 kilometers/10 minutes from the meeting venue and area hotels. Taxi fare is approximately US\$25.
- Safety & Security: A risk assessment by ICANN security has not identified any areas of concern for San Juan that would require other than standard security measures provided for an ICANN Meeting.

Staff recommends that the board approve San Juan, Puerto Rico as the location of the March 2022 ICANN Meeting.

Confidential Negotiation Information

Confidential Negotiation  
Information

Submitted by: Nick Tomasso  
Position: VP, Global Meeting Operations  
Date Noted: 25 Septmeber 2019  
Email: [nick.tomasso@icann.org](mailto:nick.tomasso@icann.org)

**ICANN BOARD PAPER NO. 2019-11-07-1d**

**TITLE:** **IT Service Provider two-year renewal**  
**PROPOSED ACTION:** **For Board Consideration and Approval**  
**EXECUTIVE SUMMARY:**

In November 2014 following ICANN Board approval, ICANN organization engaged an expert third-party outsourcing firm called Zensar to augment ICANN's IT capacity.

Confidential Negotiation Information

ICANN org considered the cost and efficiency of either issuing another RFP for outsourced IT capacity or further renewing the Zensar contract and determined it was most prudent to further renew the contract with Zensar.

Confidential Negotiation Information

Because the contract is for more than US\$500,00, under ICANN's Contracting and Disbursement Policy the Board is required to approve entering into the contract.

**ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE (BFC)**

**RECOMMENDATION:**

Both ICANN organization and the BFC recommend that the Board authorizes the President and CEO, or his designee(s), to take all necessary actions to enter into, and make disbursement in furtherance of, a renewed Zensar contract, for the period April 2020 through March 2022 (24 months).

**PROPOSED RESOLUTION:**

Whereas, ICANN organization has a need for continued third-party development, quality assurance and content management support to augment its IT capacity.

Whereas, Zensar has provided good services in software engineering, quality assurance and content management over the last several years.

Whereas, ICANN org conducted a full request for proposal when renewing the contract in 2017, the results of which lead ICANN org to determine that Zensar is still the preferred vendor.

Whereas, ICANN org considered the cost and efficiency of either issuing another RFP for outsourced IT capacity or further renewing the Zensar contract and determined that is was more efficient and cost effective to renew the Zensar contract.

Resolved (2019.11.07.xx), the Board authorizes the President and CEO, or his designee(s) to enter into enter into, and make disbursement in furtherance of, a further renewed Zensar contract for a term of 24 months.

Resolved (2019.11.07.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article 3, section 3.5(b) of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

**PROPOSED RATIONALE:**

In November 2014 following ICANN Board approval, ICANN organization engaged an expert third-party outsourcing firm called Zensar to augment ICANN's IT capacity.

That led to a three-year contract with Zensar, based in Pune, India with an annual value

Confidential Negotiation Information

The contract was renewed through March 2020 with

Confidential Negotiation Information

Board approval following an RFP process. Value of the renewed contract was

for a period of 24 months through April 2020. Per ICANN organization,

the relationship with Zensar has been beneficial to ICANN org and, overall has been a success.

ICANN org considered the cost and efficiency of either issuing another RFP for outsourced IT capacity or further renewing the Zensar contract and determined that is was more efficient and cost effective to renew the Zensar contract. Following consideration of the matter, the Board Finance Committee agree.

Accordingly, both ICANN organization and the BFC recommended that the Board authorize the organization to enter into, and make disbursement in furtherance of, a renewed Zensar contract, covering the period of April 2020 through March 2022 (24 months), with a total cost not to exceed <sup>Confidential Negotiation Information</sup>

After considering the information presented, the Board agrees that it makes fiscal sense to enter into this renewed agreement.

This decision will have a fiscal impact, but the impact has already been accounted for in the FY20 budget and will be for the future budgets as well. Further, this decision should not have a negative impact on the security, stability or resiliency of the domain name system, and likely will have a positive impact. Our contracting with Zensar aligns with ICANN's core values of operating with efficiency and excellence in a fiscally responsible and accountable manner.

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

Submitted by:	Ashwin Rangan & Xavier Calvez
Position:	SVP, Engineering, CIO and Chief Financial Officer
Date Noted:	xx October 2019
Email:	<a href="mailto:Ashwin.rangan@icann.org">Ashwin.rangan@icann.org</a> and <a href="mailto:xavier.calvez@icann.org">xavier.calvez@icann.org</a>

**ICANN BOARD PAPER No. 2019-11-07-1e**

**TITLE:** **Contract Renewal for Cloud Service Support  
Provider**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

In November 2015, ICANN purchased the Oracle Cloud as the Organization's enterprise resource planning (ERP) solution. In December 2016, ICANN successfully implemented Oracle Cloud. Over the past two years, ICANN has successfully utilized this solution for Finance, Human Resources, and Procurement functions. To support the Oracle Cloud ERP system, ICANN contracts with Infovity, a service support provider. The contract term is annual. ICANN is now seeking to renew the Infovity contract for another year. Since the obligations under the vendor contract will exceed US\$500,000 over multiple years, this action requires Board approval (see <https://www.icann.org/resources/pages/contracting-disbursement-policy-2015-08-25-en>).

**ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE (BFC)**

**RECOMMENDATION**

Both ICANN organization and the BFC recommend that the Board authorizes the President and CEO, or his designee(s), to take all necessary actions to execute the renewal contracts with Infovity and make all necessary disbursements pursuant to the contract.

**PROPOSED RESOLUTION:**

Whereas, ICANN has an established a need to renew contracts for Infovity to support Oracle Cloud.

Whereas, the Board Finance Committee has reviewed the financial implications of contract renewal with Infovity and has considered alternatives.

Whereas, both the organization and the Board Finance Committee have recommended that the Board authorize the President and CEO, or his designee(s), to take all actions necessary to execute the contracts with Infovity and make all necessary disbursements pursuant to those contract.

Resolved (2019.11.07.xx), the Board authorizes the President and CEO, or his designee(s), the take all necessary actions to renew the contract with Infovity to support ICANN's ERP solution, as reflected in the Reference Materials to this Paper, and make all necessary disbursements pursuant to those contracts.

Resolved (2019.11.07.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article 3, section 3.5(b) of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

**PROPOSED RATIONALE:**

ICANN has successfully utilized Oracle Cloud ERP since implementation Go Live in December 2016. Over the past years, ICANN organization has gradually increased the ERP systems and transactional processing knowledge and is in a position to make incremental efficiency improvements to maximize original investment. The Oracle Cloud ERP replaced a then aging Finance, Human Resources and Procurement legacy systems. This solution provided ICANN org with an integrated ERP solution under a single system of record improving systems capacity, global reporting and analysis capability, leading to improved productivity and cross-functional efficiencies, and enhance internal controls. Infovity served as ICANN's Oracle Cloud implementation partner in 2015. It provided professional expert system resources to support multiple Oracle Cloud modules implemented. Infovity also provides interface application, called AppConnect. AppConnect is used to interface Oracle Cloud ERP to ICANN's expense reporting, exchange rate updates, recruitment, and customer master system(s).

ICANN's contract with Infovity expired in September 2019. Annual cost is  
for Infovity and Confidential Negotiation Information

After careful analysis of options submitted by the organization, the annual contract option is considered a viable, cost-effective solution. The organization is in-process of reviewing options to lower costs and improve service. One option under review is add additional Oracle system resources to organization. This will significantly lower overall support costs to Infovity. This option will be reviewed and evaluated for possible execution in calendar year 2020. At this time, the annual contract to Infovity is the best solution for ICANN.

The Board reviewed the organization's and the Board Finance Committee's recommendations for contracting and disbursement authority for Infovity contract renewal.

Taking this Board action fits squarely within ICANN's mission and the public interest in that it ensures that payments of large amounts for one invoice to one entity are reviewed and evaluated by the Board if they exceed a certain amount of delegated authority through ICANN's Contracting and Disbursement Policy. This ensures that the Board is overseeing large disbursements and acting as proper stewards of the funding ICANN receives from the public.

There will be a financial impact on ICANN to renew Oracle Cloud ERP contract. This impact is currently included in the FY21 Operating Plan and Budget that is pending Board approval. This action will not have a direct impact on the security, stability and resiliency of the domain name system.

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

Submitted by:	Ashwin Rangan
Position:	Sr VP Engineering & Chief Information Officer
Date Noted:	xx October 2019
Email:	ashwin.rangan@icann.org

**ICANN BOARD PAPER No. 2019-11-07-1f**

**TITLE:** **Approval of Funds for New IMRS Cluster in Singapore**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

The ICANN-managed Root Server (IMRS) requires additional capacity in the Asian region to answer domain name system (DNS) queries from that region and to withstand denial-of-service (DoS) attacks from all over the Internet. The addition of a “cluster” (a group of several servers) will provide this capacity, and Singapore has been selected as an appropriate location. Since the obligations under the vendor contracts will exceed US\$500,000, this action requires Board approval (see <https://www.icann.org/resources/pages/contracting-disbursement-policy-2015-08-25-en>).

**ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE (BFC)**

**RECOMMENDATION:**

Both ICANN organization and the BFC recommend that the Board authorizes the President and CEO, or his designee(s), to take all necessary actions to execute contracts and procure equipment to install an IMRS cluster in Singapore and make all necessary disbursements pursuant to the contracts.

**PROPOSED RESOLUTION:**

Whereas, ICANN organization has established a need to expand the IMRS by installing a cluster in Singapore, resulting in increased root server capacity for the Asian region and resulting in increased resiliency of not just the IMRS, but the entire Root Server System.

Whereas, the Board Finance Committee (BFC) has reviewed the financial implications of adding a Singapore cluster to the IMRS.

Whereas, both the organization and the BFC have recommended that the Board authorize the President and CEO, or his designee(s), to take all necessary actions to execute contracts

and procure equipment to install an IMRS cluster in Singapore and make all necessary disbursements pursuant to the contracts.

Resolved (2019.11.07.xx), the Board authorizes the President and CEO, or his designee(s), to take all necessary actions to execute contracts and procure equipment to install an IMRS cluster in Singapore, as reflected in the Reference Materials to this Paper, and make all necessary disbursements pursuant to the contracts.

Resolved (2019.11.07.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article 3, section 3.5(b) of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

#### **PROPOSED RATIONALE:**

ICANN organization recommended expanding the ICANN-managed Root Server (IMRS) by adding a new cluster in Singapore at a cost of Confidential Negotiation Information

The IMRS, which is also known as *l.root-servers.net*, comprises equipment at nearly 170 sites across the world. Most of these sites consist of a single server and are known as *IMRS singles*. The IMRS also includes three larger sites, called *IMRS clusters*, composed of dozens of servers each. There are currently three IMRS clusters, located in the US near Los Angeles and near Washington, D.C., and in Prague, Czech Republic. These sites have considerably higher capacity to answer DNS queries than the IMRS single sites. The extra capacity of IMRS clusters is useful in times of normal query load but critical in times of larger-than-normal load, such as during a distributed denial of service (DDoS) attack, when attackers flood the IMRS with traffic.

There are several reasons that adding an IMRS cluster in Singapore is an appropriate strategic decision at this time and a good use of ICANN org resources.

The cluster will address existing demand for root service in the Asian region. Existing IMRS sites in Asia together already receive twice as many queries as the next busiest region (Europe).

An IMRS cluster in Singapore will increase the topological diversity of the entire IMRS. Right now, with the three existing clusters located in North America and Europe, the Asian Internet is underrepresented. Design best practices call for the large capacity IMRS clusters to be evenly distributed throughout the Internet's topology.

The Internet infrastructure in Singapore is well suited to support an IMRS cluster. The Internet in Singapore is highly developed and robust. In addition, the country is extremely well connected via submarine cables compared to other countries in the region.

An IMRS cluster in Singapore will provide a significant increase in overall resiliency for the IMRS as a whole. The Singapore cluster would connect to the Internet with 100 Gbits/second of bandwidth, allowing it to answer over 24 million DNS queries per second. In the event of an attack resulting in significant additional traffic, the extra capacity provided by the Singapore cluster will allow attack traffic to be absorbed, which helps mitigate the attack. With sufficient capacity, queries in the Asian region can continue to be answered.

The Board reviewed the organization's and the Board Finance Committee's recommendations for adding an IMRS cluster in Singapore and agrees with those recommendations.

Taking this Board action fits squarely within ICANN's mission and the public interest in that it ensures that large expenditures are reviewed and evaluated by the Board if they exceed a certain amount of delegated authority through ICANN's Contracting and Disbursement Policy. This ensures that the Board is overseeing large disbursements and acting as proper stewards of the funding ICANN receives from the public.

There will be a financial impact on ICANN to add an IMRS cluster in Singapore. This impact is currently not included in the FY20 Operating Plan and Budget. This action will

have a direct positive impact on the security, stability and resiliency of the domain name system.

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

Submitted by:	David Conrad
Position:	Chief Technology Officer
Date Noted:	xx October 2019
Email:	david.conrad@icann.org

# Singapore IMRS Cluster Briefing for BFC

ICANN Office of the CTO  
25 September 2019



---

## **Singapore IMRS Cluster Briefing for BFC 1**

<u>Introduction</u>	<u>1</u>
<u>Background</u>	<u>1</u>
<u>Strategic Justification</u>	<u>2</u>
<u>Addressing existing demand in Asia</u>	<u>2</u>
<u>Maximizing topological diversity</u>	<u>3</u>
<u>Taking advantage of Singapore's infrastructure</u>	<u>3</u>
<u>Improving overall resiliency</u>	<u>3</u>
<u>Financial overview</u>	<u>3</u>

---

## Introduction

This paper proposes the addition of a new cluster of the ICANN Managed Root Server (IMRS) in Singapore at an estimated cost of Confidential Negotiation Information

More details on the strategic reasoning for this deployment and a financial breakdown are provided below.

## Background

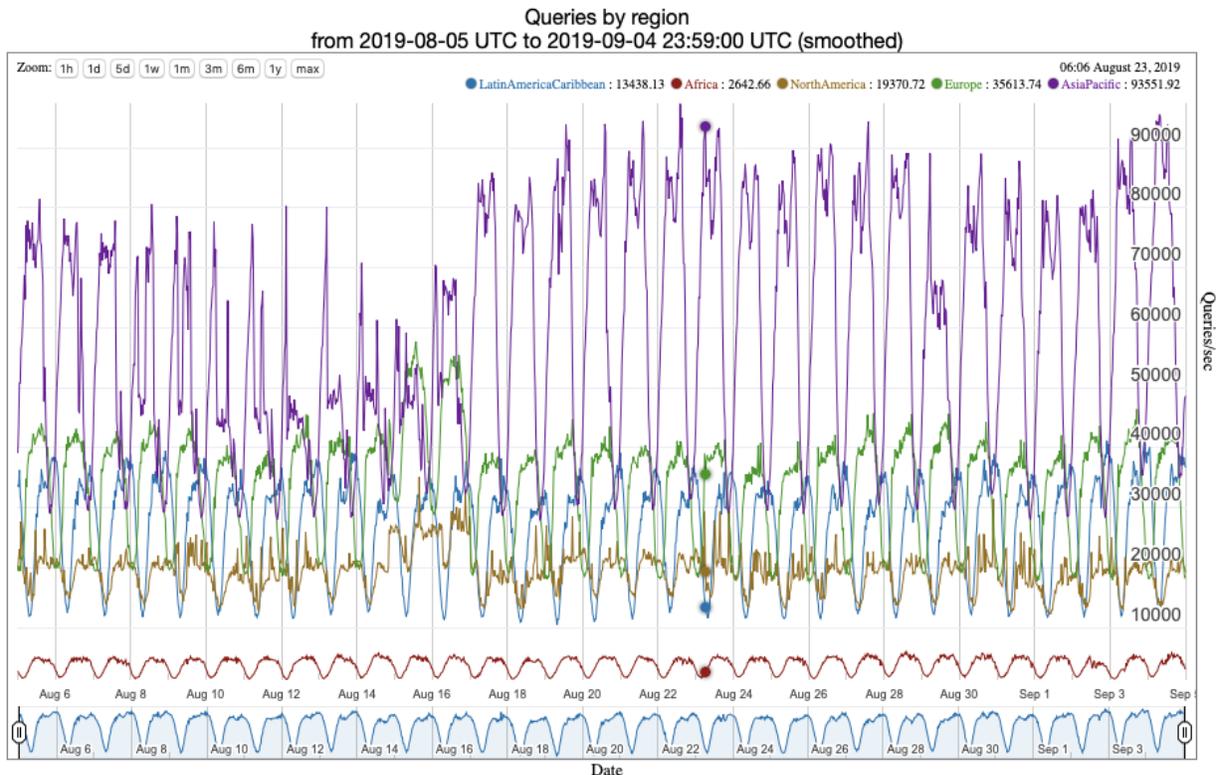
The IMRS, which is also known as *l.root-servers.net*, comprises equipment at nearly 170 sites across the world. Most of these sites consist of a single server and are known as *IMRS singles*. The IMRS also includes three larger sites, called *IMRS clusters*, composed of dozens of servers each. There are currently three IMRS clusters, located in the US near Los Angeles, and near Washington, D.C., and in Prague, Czech Republic. These sites have considerably higher capacity to answer DNS queries than the IMRS single sites. The extra capacity of IMRS clusters is useful in times of normal query load but critical in times of larger-than-normal load, such as during a denial of service (DoS) attack, when attackers flood the IMRS with traffic.

## Strategic Justification

There are several reasons that adding an IMRS cluster in Singapore at this time is an appropriate strategic decision and a good use of ICANN org resources.

## Addressing existing demand in Asia

Usage data from existing IMRS sites shows that more queries arrive to sites in Asia than any other region. In fact, all Asian IMRS sites together receive twice as many queries as the next busiest region (Europe). A graph showing one month of query volume (measured in queries per second) broken down by region illustrates just how busy the Asian IMRS sites are relative to the other regions:



Looking at IMRS query volume and distribution from another perspective, in June 2019, seven of the top 20 busiest IMRS sites are located in Asia (India, Korea, Australia, Indonesia, Taiwan, China and Thailand, in descending order of traffic load).

As a general rule, Internet routing tends to deliver a given recursive resolver's query destined for the IMRS to the network-topologically closest IMRS site. Therefore the high volume of queries received at IMRS sites in Asia can be reasonably assumed to originate from recursive resolvers in Asia. And since most Internet devices send DNS queries to a recursive resolver in the same geographic region, we can state that a significant portion of IMRS traffic results from devices in Asia.

Locating an IMRS cluster in Singapore will thus provide a large increase in query capacity for the many users and devices in this region.

## Maximizing topological diversity

An IMRS cluster in Singapore will increase the topological diversity of the entire IMRS. Right now, with the three existing clusters located in North America and Europe, the Asian Internet is underrepresented. Design best practices call for the large capacity IMRS clusters to be evenly distributed throughout the Internet's topology. Since Internet topology is typically a reflection of physical topology, the current lack of an IMRS cluster in Asia is an omission.

### Taking advantage of Singapore's infrastructure

The Internet infrastructure in Singapore is well suited to support an IMRS cluster. The Internet in Singapore is highly developed and robust. In addition, the country is extremely well connected via submarine cables compared to other countries in the region. This table shows the large number of cables and corresponding bandwidth:

Country	No. of Cable Systems (by May 2019)	Max (Tbps)	Lit (Tbps)
Japan	22	726.56	94.52
<b>Singapore</b>	<b>22** (+3*)</b>	<b>994.66 (+121.04*)</b>	<b>107.49 (+27.94*)</b>
China (include HK)	16	647.36	87.79
Malaysia	20	768.98	87.08
Rep of Korea	9	401.76	31.50

(\* 3 submarine cables land in Malaysia but are connected to Singapore via terrestrial links.  
 \*\* 1 upcoming cable to land by 2019/2020)

### Improving overall resiliency

Finally, an extremely important reason for adding another IMRS cluster in Singapore is the significant increase in overall resiliency it will provide for the IMRS as a whole. The Singapore cluster would connect to the Internet with 100 Gbits/second of bandwidth, allowing it to answer over 24 million DNS queries per second. In the event of an attack resulting in significant additional traffic (such as a DoS attack), the extra capacity provided by the Singapore cluster will allow attack traffic to be absorbed, which helps mitigate the attack. With sufficient capacity, queries in the Asian region can continue to be answered.

### Financial overview

Confidential Negotiation Information

## Conclusion

Adding a cluster in Singapore represents a reasonable expansion of the IMRS and a good use of ICANN org resources. The addition of extra capacity in the growing Asian region represents a necessary and important increase in the resiliency of the IMRS. This region is already a significant source of traffic to the IMRS and Singapore's well-connected topological position in the Internet stemming from its abundant submarine cable connectivity makes it an ideal location for a new cluster. A potential subsidy from the government of Singapore is another advantage of locating the cluster there.

**ICANN BOARD SUBMISSION No. 2019-11-07-1g**

**TITLE:** **Net Asset Excess Transfer from Operating Fund to Reserve Fund**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

The Board is being asked to approve a net asset excess allocation transfer from the Operating Fund to the Reserve Fund for FY19.

The Operating Fund includes the amount of funding needed for ICANN's day-to-day operations. ICANN has generated cash excesses, which resided in the Operating Fund at the end of FY19. The ICANN Investment Policy ([ICANN Investment Policy](#)) states that the Operating Fund should be at a level of funds to cover a minimum of three months of ICANN organization's operating expenses, and that any amount determined to be in excess can be transferred to the Reserve Fund.

The size of the Operating Fund was evaluated at the end of FY19 and ICANN Organization has recommended that US\$3 million be transferred into the Reserve Fund.

**ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE**

**RECOMMENDATION:**

Both ICANN organization and the BFC recommend that the Board authorize the President and CEO, or his designee(s), to transfer US\$3,000,000 from the Operating Fund to the Reserve Fund.

**PROPOSED RESOLUTION:**

Whereas, the Operating Fund includes the funds used for ICANN's day-to-day operations and must contain enough funds to cover at a minimum ICANN's expected expenditures for three months.

Whereas, periodically, any funds considered to be in excess should be transferred to the Reserve Fund.

Whereas, ICANN organization has performed an analysis of the required levels of the Operating Funds and has determined that the balance of the Operating Fund as of 30 June 2019, based on the unaudited Financial Statements, contained excess funds.

Whereas, this decision is consistent with the Reserve Fund Replenishment Policy adopted by the Board in October 2018 see [Board Resolution](#)

Resolved (2019.11.07.xx), the Board authorizes the President and CEO, or his designee(s), to transfer US\$3,000,000 from the Operating Fund to the Reserve Fund.

**PROPOSED RATIONALE:**

As part of ICANN's Investment Policy, the Operating Fund at a level of funds to cover a minimum of three months of ICANN organization's operating expenses, and that any amount determined to be in excess can be transferred to the Reserve Fund.

ICANN Organization has evaluated the Operating Fund at the end of FY19 on the basis of its unaudited Financial Statements, and has determined that excess funds of US\$3,000,000 should be transferred to the Reserve Fund.

This action is consistent with ICANN's mission and is in the public interest as it is important to ensure stability of ICANN organization in the way of a robust Reserve Fund in case use of a Reserve Fund becomes necessary.

This action will not have a financial impact on ICANN, and will not have any impact on the security, stability or resiliency of the domain name system.

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

Submitted by:                   Xavier Calvez  
Position:                        CFO  
Date Noted:                    09 October 2019  
Email:                            [xaver.calvez@icann.org](mailto:xaver.calvez@icann.org)

**ICANN BOARD PAPER NO. 2019.11.07.1h**

**TITLE:** Investment Policy Updates  
**PROPOSED ACTION:** For Board Consideration and Approval

**EXECUTIVE SUMMARY:**

In furtherance of its due diligence in regard to ICANN's Investment Policies (Policies), the Board Finance Committee (BFC) requested ICANN organization to engage an investment consulting firm to review the policy for recommended updates. For this purpose, ICANN org used the services of Bridgebay Investment Consultant Services (Consultant), which had also performed the previous Policies reviews in 2011, 2014 and 2018. As a result of its review process, the Consultant recommended a few modifications to the Policy intended to update the policies to include language related to a new to add language related to an update on the Secured Overnight Financing Rate (SOFR) to the investment policies as a well-recognized money market rate. Separately, the BFC has evaluated the opportunity to add Environmental, Social, & Governance (ESG) investment criteria to the ICANN's investment policies, and that ESG criteria would lead to comparable yield and performance, while minimizing risks. Based on the expected benefits of the application of such criteria, and after verifying the consistency of these criteria with the principles stated in ICANN Investment Policy, the BFC recommended that it be added to the investment policies.

**ICANN ORGANIZATION AND BOARD FINANCE COMMITTEE (BFC)**

**RECOMMENDATION:**

ICANN org and the BFC recommend that the Board approve the proposed revisions to ICANN's Investment Policies.

**PROPOSED RESOLUTION:**

Whereas, the Board Finance Committee (BFC) requested that an outside expert review the Investment Policies to ensure it is appropriate for ICANN.

Whereas, the outside expert completed a review of the ICANN Investment Policies and concluded that overall the Investment Policies continues to support well the conservative philosophy of ICANN's investment strategy.

Whereas, the outside expert recommended that modifications be made to the Investment Policies that enhance and clarify some provisions, which do not change the overall investment strategy.

Whereas, the Board Finance Committee has evaluated and recommended the addition to the investment policies of Environmental, Social, & Governance (ESG) investment criteria that further enhance risk mitigation, and are consistent with ICANN's investment principles.

Resolved (2019.11.07.xx), the Board adopts the revised ICANN Investment Policies

**PROPOSED RATIONALE:**

In furtherance of its due diligence in regard to ICANN's Investment Policies (the Board Finance Committee (BFC) requested ICANN organization to engage an investment consulting firm to review the Policies. For this purpose, ICANN org used the services of Bridgebay Investment Consultant Services (Consultant), which had also performed the Policies reviews in 2011, 2014 and 2018. As a result of its review process, the Consultant recommended a few modifications to the Policies, intended to: (i) update the policies to include language to add the Secured Overnight Financing Rate (SOFR) to the investment policies as a well-recognized money market index; and (ii) add Environmental, Social, & Governance (ESG) investment criteria. The Consultant concluded that the ESG criteria meets ICANN IPS parameters and recommended that it be added to the investment policies and that ESG would have comparable yield and performance

The Consultant presented the analysis and the suggested changes to the Policies related to SOFR and ESG investment to the BFC during its meeting on 13 June 2019. The evaluation of ESG provided an overview of the benefits of ESG investment criteria and

the specifics of the current investment managers. These proposed modifications to the Policies will enable the investment manager to optimize the investment strategy for ICANN's Reserve Fund and ICANN's new gTLD and auction proceeds in line with the investment policies.

Adopting the suggested modifications is expected to be in the best interest of ICANN and the ICANN community in that it is meant to enhance and clarify certain aspects of ICANN's investment strategy while optimizing potential returns within acceptable risk parameters. This action is not expected to have any fiscal impact, or any impact on the security, stability and resiliency of the domain name system.

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

Submitted by:	Xavier Calvez, CFO & SVP
Date Noted:	16 October 2019
Email:	Xavier.calvez@icann.org

## Investment Policy, Updated February 2018

### INTRODUCTION

4 February 2018 -This statement of investment policy has been adopted by the Board of Directors of the Internet Corporation for Assigned Names and Numbers (ICANN) to provide guidelines for the investment of cash on hand (funds).

Since its early days, ICANN's operations and risk profile have changed significantly, due to ICANN's unique role in the Internet eco-system and its commitment to accountability and transparency to the public.

ICANN is exposed to legal and other challenges of its activities. This exposure has continuously increased as the Internet and the domain name system (DNS) have expanded and ICANN's role has become more visible, including following the termination of the U.S. Government oversight of the IANA functions late 2016.

In addition, ICANN is one of the root server operators upon which the global Internet DNS depends. Malicious threats and vulnerabilities, some attacking (or hijacking) the DNS root, continue to appear. Network science and technology will continue to evolve, as will vulnerabilities.

As ICANN's activities have become more complex and more visible with the expansion of the DNS, it continuously improves its capabilities to plan for the future, to manage and mitigate its exposure to risks, with a high sense of financial responsibility and discipline. This has led ICANN to adopt and live by the simple principle of never spending more than it can afford. ICANN therefore ensures that its expenses never exceed its funding.

For the purposes of managing investment risk and to optimize potential returns within acceptable risk parameters, the investment of funds is divided into two pools of assets.

- The **Operating Fund** is used to fund day to day operations of ICANN including all items in the ICANN Board approved annual budget. In general, the Operating Fund is set at a level necessary to fund a maximum of three months of expected operating expenses. Amounts in the Operating Fund that exceed this limit shall be transferred to the Reserve Fund.
- The **Reserve Fund** is ICANN's funding of last resort to cover large expenses resulting from unavoidable, unpredictable or unplanned events, which cannot be funded from ICANN's Operations.

Illustrative examples of such events include:

- the urgent and unbudgeted replacement of large assets, or payment of large liabilities,

- the undertaking of major downsizing or significant restructuring of ICANN's operations.
- the occurrence of major security and stability threats and attacks.
- the occurrence of unplanned large litigation and/or penalty expenses.
- undertaking new and major programs resulting from a new strategic plan or exceptional unforeseen external events
- the recovery and continuation of operations after a disaster.

ICANN recognizes that it is impossible to foresee all possible events that can trigger large, unavoidable, unpredictable or unplanned expenses, which cannot be funded from ICANN's Operations. As a result, the list above is considered illustrative and non-limitative.

ICANN, like many organizations, is exposed to natural disasters, economic fluctuations and regulatory changes. However, unlike any other organization, ICANN's mission has led the Organization and its multistakeholder model of governance to be subject to the constant changes that affect the Internet, driven by demographic, governmental, economic and technical factors.

No matter how well ICANN plans, manages risks and applies financial discipline, it is highly exposed to unpredictable events that may have an overwhelming impact on its on-going activities, which are supported by its Operating Fund.

In this environment, the only financial resource available to ICANN to face the negative impacts of any events outside of its daily activities, is its Reserve Fund.

- The use of any Reserve Fund is restricted by actions of the Board of Directors. The Board of Directors has delegated to the Board Finance Committee (BFC) the authority to act on behalf of the Board of Directors to release funds from the Reserve Fund to pay for items of an emergency nature.

## **PURPOSE OF THE ICANN INVESTMENT POLICY**

The purpose of the ICANN Investment Policy is to:

1. Describe the philosophy of the Investment Policy that will guide investment management decisions.
2. Define and assign the responsibilities of all involved parties including the ICANN Board of Directors, the ICANN Chief Financial Officer (CFO) and personnel, and the Investment Management Company (as defined below).
3. Describe the general investment principles for investment of the funds including the size of the funds, the suggested levels of risk, the expected return on investment, the suggested liquidity level, the expected asset allocation strategy, the expected global focus, and suggested allowable and restricted asset classes.

4. Establish a basis for evaluating and reporting investment results and compliance with the Investment Policy.
5. Clarify the methods by which the Reserve Fund will be funded as well as the process by which the Reserve Fund can be accessed for emergency requirements.

## **PHILOSOPHY OF THE ICANN INVESTMENT POLICY**

The philosophy of the ICANN Investment Policy is to:

- Ensure that funds held by ICANN are invested wisely with due fiduciary care.
- Ensure that funds are safe and held securely to minimize risk of loss to the fullest extent possible.
- Ensure that funds earn appropriate returns commensurate with the level of risk and real rates of return that can offset the effects of inflation over a market cycle.
- Ensure that funds remain liquid enough to be accessible to handle the needs of ICANN's operations (Operating Fund) and the needs of ICANN, if any (Reserve Fund).
- Ensure clarity on the amounts to be held in the funds.
- Ensure clarity on the method(s) to access the funds for expenditure.

## **AREAS OF RESPONSIBILITY**

### **Board of Directors**

The Board of Directors of ICANN shall direct the ICANN Investment Policy, including:

- Create and approve the ICANN Investment Policy.
- Maintain and update the Investment Policy periodically
- Delegate to the BFC specific duties and responsibilities related to the monitoring of the Investment Policy, including:
  - Approve of the Investment Management Company.
  - Direct the CFO to monitor the Investment Management Company, monitor the performance of the funds, and the compliance with the Investment Policy.
  - Periodically monitor the performance of the Reserve Fund and Operating Fund.
  - Monitor ICANN's compliance with the Investment Policy.
  - Periodically evaluate ICANN's current risk tolerances and investment objectives.
  - Periodically report to the full Board on ICANN org's compliance with the Investment Policy.
  - Approve disbursements from the Reserve Fund.

### **ICANN Org**

ICANN's CFO, with the assistance of certain ICANN personnel, shall take certain steps to oversee the administration of the Investment Policy, including:

- Monitor and direct all activities related to the Operating Fund, including funding daily operations.

- Recommend the Investment Management Company.
- Monitor the activities of the Investment Management Company.
- Ensure that any amounts not required for the Operating Fund are transferred to the Reserve Fund.
- Respond to monthly status reports on the performance of the Reserve Fund.
- Periodically report to the Board of Directors on the performance of the Reserve Fund.
- Periodically report to the Board of Directors on compliance with the Investment Policy.

### **The Investment Management Company**

The Investment Management Company shall take certain steps to oversee the Reserve Fund including:

- Hold fiduciary responsibility for all assets in the Reserve Fund.
- Comply with all guidelines and limitations set forth in the Investment Policy.
- Manage, analyze and oversee the execution of investment decisions including buying, selling, and holding of individual securities for all asset types in all asset classes.
- Report monthly to the ICANN CFO on the performance of the Reserve Fund and compliance with the Investment Policy.
- Communicate any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process.
- Be available to report periodically to the Board of Directors on the performance results of the Reserve Fund including comparisons with approved industry benchmarks.
- Be available to report periodically to the Board of Directors on the compliance with the Investment Policy.
- Inform the Board of Directors regarding any significant changes including changes to the investment management company, its financial strength, significant decline in assets under management, SEC investigations, material litigation, changes in portfolio management personnel, ownership structure, investment philosophy, and investment processes.

## **GENERAL INVESTMENT PRINCIPLES**

### **Pools of Funds**

ICANN's investment funds will consist of two pools of funds: the Operating Fund and the Reserve Fund.

The Operating Fund, sometimes called the Working Capital Fund, is the pool of funds that is used for ICANN's day-to-day operations. The Operating Fund will not be Board restricted and will be used to fund operating expenses of ICANN, including payroll and accounts payable. All disbursements at ICANN shall comply with Board-approved disbursement guidelines and financial controls. The Operating Fund will be replenished by ICANN's revenues, and can also be replenished by the Reserve Fund if the Board determines that it is necessary.

Disbursements out of the Reserve Fund are restricted by the Board.

### **Size of Funds**

The size of the Operating Fund and the Reserve Fund shall be evaluated and established on an annual basis as part of the budget preparation process.

The Operating Fund shall contain enough funds to cover ICANN's expected expenditures for three months. Periodically, any funds in excess of this will be transferred to the Reserve Fund.

The Reserve Fund shall contain any amounts not contained in the Operating Fund. Any surplus funds will be used to build up the Reserve Fund. The Reserve Fund is expected to reach and maintain a level of funds to maintain a minimum of 12 months of expected expenditures.

### **Investment Horizon and Objectives**

The Operating Fund has a short-term horizon and a principal preservation objective to meet working capital needs. The Reserve Fund has a medium investment horizon and a conservative-moderate investment objective to enhance return on assets.

### **ESG (Environmental, Social, and Governance)**

Formatted: Font: Bold

In addition to financial considerations and investment criteria included in this investment policy for the Reserve Fund, investment decisions should integrate Environmental, Social, and Governance factors, as appropriate. The manager's proprietary ESG rating will be used to evaluate securities that are rated at the mid-point or higher of its ESG rating scale so that at least 80% of the investments are rated at or above the mid point of each firms' proprietary rating scale.

### **Guidelines: Risk Level of Funds**

Although there are many ways to measure risk, this investment policy primarily measures risk as the possibility of losing nominal asset value in a fund over a given period of time. Historical performance and volatility measures are indicators of its risk profile. A fund with very little risk would never incur losses as measured over any historical period. A fund with moderately low risk would not incur losses over most historical periods. A fund with greater risk might have incurred losses in certain historical periods.

The Operating Fund will have a conservative risk profile focusing on capital preservation with minimal principal fluctuation.

The Reserve Fund will have a conservative-moderate risk profile that is moderately low risk. The historical performance of the fund should have a very low probability of losses over any given five-year period.

### **Expected Investment Return (%) of Funds**

Funds shall be invested in assets that are expected to yield the greatest investment return given the risk profile and other parameters of the fund. Historical performance and volatility measures are indicators of its risk profile and how the fund may perform under different market conditions.

The Operating Fund is expected to earn rates of return commensurate with a principal preservation fund. The three-month US Treasury Bill is therefore considered an appropriate benchmark for a nominal rate of return.

The Reserve Fund is expected to earn rates of return commensurate with a moderately low risk portfolio. The performance objective of the investments is to provide a total investment return in excess of the performance of the agreed upon composite benchmark. A comparison shall be made with relevant market benchmarks as well as the composite returns for other peer groups with similar philosophies. The appropriate benchmark is a function of the asset classification currently in place and may consist of a balanced or weighted average index underlying such asset classes. The total return is expected to rank above the median versus a manager universe with a similar asset mix.

The Reserve Fund should preserve the real (inflation-adjusted) purchasing power of the Reserve Fund's assets while maximizing real income. Real income is defined as the sum of dividends, interest, and realized gains/losses less the inflation rate as measured by CPI (Consumer Price Index) over a market cycle or rolling 10- year period.

#### **Guidelines: Liquidity Level of Funds**

Liquidity is a measure of whether the assets of the fund can be sold for cash without a significant realized principal loss. A highly liquid fund would not suffer losses even if there were an immediate sale of the assets of the fund. A moderately liquid fund would not suffer significant losses even if the assets were sold over a period of time of less than one year.

The Operating Fund will be highly liquid and only invest in cash, cash equivalents, or money market instruments (including certificates of deposits, commercial paper or SEC 2a-7 money market funds.) All funds are daily valued and can be accessed within 48 hours without any significant loss in value.

The Reserve Fund is suggested to be moderately liquid. Reserve Fund assets do not need to be sold for cash except in an emergency. The Reserve Fund may invest in money market instruments and SEC 2a-7 money market funds. It is suggested that the Reserve Fund be liquid enough to realize one-third of its value without significant loss within 30 days, two-thirds of its value without significant loss within two months, and all of its value without significant loss within six months. A significant loss is defined as more than 15% realized loss. Losses in excess require BFC and Board approval.

#### **Permissible Investment Vehicles**

The Investment Management Company may recommend investments in actively managed and/or passive strategies that invest in marketable securities. These strategies may be institutional

mutual funds, collective trusts or commingled funds. The underlying security holdings must be transparent. The strategies must be non-lending portfolios.

#### **Expected Asset Classification/Portfolio Mix and Allocation Constraints of Funds**

The asset classification/portfolio mix guides the Investment Management Company to create a portfolio that best reflects the risk posture, expected return, and other investment parameters described in the Investment Policy. The categories of classification described, and the measurements expected to be complied with, in this Investment Policy are a percentage of cash equivalents, a percentage of bonds, and a percentage of equities. In addition, the allocation constraints allow the Investment Manager to rebalance the portfolio within a risk-controlled framework and should avoid market-timing changes. Rebalancing should not incur losses or administrative burdens. Portfolio rebalancing is required at least semi-annually and may be as frequent as quarterly or monthly.

The Operating Fund's asset classification is 100% cash, cash equivalents, money market instruments or SEC 2a-7 money market fund. The constraint is zero.

The Reserve Fund's Normal Asset Allocation is 65% Global Bonds and 35% Global Equities and Real Estate. The Asset Allocation is a long term asset allocation target. The Investment Management Company will manage a Tactical Asset Allocation Non-Lending Portfolio consistent with the allocations within the Allowable Investment Range. The portfolio will be rebalanced generally to maintain the allocations. The Investment Management Company may also rebalance in response to changes in economic and market conditions, liquidity requirements or provide defensive positioning to improve downside protection. Market timing is not permissible. The table below indicates the asset allocation ranges:

<b>Asset Class</b>	<b>Normal Asset Allocation</b>	<b>Allowable Investment Range</b>
Global Fixed Income	65%	45%-85%
Global Equities & Real Estate	35%	15%-55%

#### **Guidelines: Global Focus of Funds**

ICANN's funds are to be invested in well diversified assets that perform well in terms of return on investment and also are invested safely to reduce the risk of loss on the portfolio. Safety and performance are the most important priorities. The ICANN Investment Policy assumes that a well diversified portfolio designed for investment performance and safety should contain a significant amount of investments in non-US assets and are also based in non-US dollar denominated currencies.

The Investment Policy recognizes that ICANN is a U.S.-based organization, but it also must recognize that ICANN has a distinctly global focus. The funds that ICANN invests in should reflect the global nature of ICANN. The actual assets allocated to non-U.S.-based assets and non-U.S. dollar denominated investments shall be suggested by the Investment Management Company and approved by the ICANN CFO.

The Operating Fund may be denominated in its functional currencies to meet operating needs but does not require a significant global focus.

The Reserve Fund is suggested to have a significant global focus. The Investment Policy enables the Reserve Fund to invest in global assets. Actual allocations are to be monitored by the Board and may be subject to further limitations between developing and emerging foreign markets consistent with ICANN's risk profile.

#### **Guidelines: Asset Classes of Funds**

The Investment Policy requires the Investment Management Company to recommend particular active and/or index fund managers, institutional mutual funds, collective trusts or commingled funds, categories of investments, etc., that comply with the Investment Policy principles and guidelines.

#### **Operating Fund Allowable Assets**

##### **Cash, Cash Equivalents, and Money Market Instruments**

- Checking accounts in acceptable investment grade financial institutions
- Certificates of Deposit – issued by acceptable investment grade financial institutions
- U.S. Government Treasury securities
- U.S. Agency securities – obligations issued or guaranteed by an agency of the U.S. government
- Commercial Paper – issued by corporations possessing the highest rating issued by Moody's or Standard & Poor's (A1/P1)
- Money market funds – SEC 2a-7 money funds

#### **Reserve Fund Allowable Assets**

##### **Investment Grade Fixed Income Securities**

- U.S. Government and Agency Securities (e.g., GNMA and FNMA)
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Asset Backed Securities (e.g., Auto and Credit Card)
- Sovereign Governments, Agencies and Supranationals
- Local Authorities
- Institutional mutual funds or commingled funds which invest in fixed income securities, Money market instruments, and SEC 2a-7 money market funds
- Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.

Formatted: Space Before: Auto, After: Auto

Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.

#### **Non-Investment Grade Fixed Income Securities**

No more than 10% of the total portfolio may consist of U.S. marketable securities rated below investment grade (limited to BB and B rated), and may include high yield, notes, bonds, 144A, fixed rate and floating rate securities. In the event that registered mutual funds, collective trusts or commingled funds hold fixed income securities below investment grade, the Investment Management Company and ICANN CFO will monitor the percentage holdings and take the appropriate action to reduce exposures consistent with ICANN's moderately low risk profile.

#### **Average Portfolio Credit Quality**

The minimum weighted average credit quality of the portfolio shall be A2/A.

#### **Equity Securities**

- Common Stocks
- Preferred Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- Stocks of Non-US Companies (Ordinary Shares)
- Stocks of REITs
- Non-Lending Institutional Mutual Funds, Collective Trusts or Commingled Funds which invest in securities as allowed in this statement

There shall be no direct investments in non-marketable securities.

#### **Prohibited Assets and Transactions**

- Exchange traded or OTC Commodities and Futures Contracts Private Placements
- Private Placements
- Credit default, interest rate and commodity swaps
- Exchange traded or OTC Options
- Limited Partnerships
- Venture-Capital Investments
- Real Estate Properties
- Derivative Investments
- Hedge funds
- Short Selling
- Margin Transactions
- Commodities

In certain circumstances, institutional mutual fund, collective trusts or commingled fund investments may engage in transactions that include prohibited transactions for the purpose of hedging operations to minimize transaction costs, rebalancing and replicating the benchmark.

In the event that institutional mutual funds or commingled funds hold prohibited assets defined above, the Investment Management Company and CFO will monitor the holdings and take the appropriate action to reduce exposures consistent with ICANN's moderately low risk profile.

#### **Securities Lending**

This policy prohibits ICANN from undertaking a Securities Lending Program. The institutional mutual funds, collective trusts or commingled funds must be non-lending portfolios.

#### **Fair Value of Investments**

The Investment Management Company must make all investments in securities and funds that have readily determinable fair values. All fair value measurements must be consistent with ASC 820 (FAS 157) which defines fair value and establishes a framework for measuring fair value (market value).

#### **Ethics and Conflicts of Interest**

All Board Members, the CFO, and the Investment Management Company personnel shall comply with all applicable conflicts of interest policies and otherwise refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Any known or suspected violations must be disclosed to ICANN's General Counsel.

#### **APPROVAL OF DISBURSEMENTS FROM THE RESERVE FUND**

The Reserve Fund is the pool of investments held by ICANN for the purpose described in the Introduction section of this document. The Reserve Fund is funded by any assets not required for use by ICANN's Operating Fund. Use of any funds from the Reserve Fund is restricted by action of the Board of Directors of ICANN. The Board at its sole discretion and judgment shall determine whether an emergency exists for purposes of releasing funds from the Reserve Fund.

Due to the nature of a requirement to release funds from the Reserve Fund, it may be necessary to make a rapid decision. For this reason, the Board of Directors has delegated to the Board Finance Committee (BFC) the authority to act on behalf of the Board of Directors of ICANN to disburse funds of up to \$5 million from the Reserve Fund. Any such action by the BFC will be communicated to the full Board of Directors within seven days of such action.

#### **PERIODIC REVIEW/APPROVAL OF POLICY AND EXCEPTIONS**

This policy will be subject to periodic review by the CFO and BFC. Specific elements to be reviewed include:

1. Appropriate operating fund limits (currently three months' operating expenses)
2. ICANN's investment objectives and risk tolerances
3. Allowable and permitted investments
4. Portfolio asset allocation and mix
5. Portfolio benchmarks
6. Portfolio rebalancing

Exceptions to this policy require BFC and Board approval as necessary. All exceptions should be communicated by the ICANN CFO to the BFC within a 48-hour period, or as soon thereafter as is practicable, including details of appropriate action to be taken.

# Investment Policy, Updated February 2018

## INTRODUCTION

4 February 2018 -This statement of investment policy has been adopted by the Board of Directors of the Internet Corporation for Assigned Names and Numbers (ICANN) to provide guidelines for the investment of cash on hand (funds).

Since its early days, ICANN's operations and risk profile have changed significantly, due to ICANN's unique role in the Internet eco-system and its commitment to accountability and transparency to the public.

ICANN is exposed to legal and other challenges of its activities. This exposure has continuously increased as the Internet and the domain name system (DNS) have expanded and ICANN's role has become more visible, including following the termination of the U.S. Government oversight of the IANA functions late 2016.

In addition, ICANN is one of the root server operators upon which the global Internet DNS depends. Malicious threats and vulnerabilities, some attacking (or hijacking) the DNS root, continue to appear. Network science and technology will continue to evolve, as will vulnerabilities.

As ICANN's activities have become more complex and more visible with the expansion of the DNS, it continuously improves its capabilities to plan for the future, to manage and mitigate its exposure to risks, with a high sense of financial responsibility and discipline. This has led ICANN to adopt and live by the simple principle of never spending more than it can afford. ICANN therefore ensures that its expenses never exceed its funding.

For the purposes of managing investment risk and to optimize potential returns within acceptable risk parameters, the investment of funds is divided into two pools of assets.

- The **Operating Fund** is used to fund day to day operations of ICANN including all items in the ICANN Board approved annual budget. In general, the Operating Fund is set at a level necessary to fund a maximum of three months of expected operating expenses. Amounts in the Operating Fund that exceed this limit shall be transferred to the Reserve Fund.
- The **Reserve Fund** is ICANN's funding of last resort to cover large expenses resulting from unavoidable, unpredictable or unplanned events, which cannot be funded from ICANN's Operations.

Illustrative examples of such events include:

- the urgent and unbudgeted replacement of large assets, or payment of large liabilities,

- the undertaking of major downsizing or significant restructuring of ICANN's operations.
- the occurrence of major security and stability threats and attacks.
- the occurrence of unplanned large litigation and/or penalty expenses.
- undertaking new and major programs resulting from a new strategic plan or exceptional unforeseen external events
- the recovery and continuation of operations after a disaster.

ICANN recognizes that it is impossible to foresee all possible events that can trigger large, unavoidable, unpredictable or unplanned expenses, which cannot be funded from ICANN's Operations. As a result, the list above is considered illustrative and non-limitative.

ICANN, like many organizations, is exposed to natural disasters, economic fluctuations and regulatory changes. However, unlike any other organization, ICANN's mission has led the Organization and its multistakeholder model of governance to be subject to the constant changes that affect the Internet, driven by demographic, governmental, economic and technical factors.

No matter how well ICANN plans, manages risks and applies financial discipline, it is highly exposed to unpredictable events that may have an overwhelming impact on its on-going activities, which are supported by its Operating Fund.

In this environment, the only financial resource available to ICANN to face the negative impacts of any events outside of its daily activities, is its Reserve Fund.

- The use of any Reserve Fund is restricted by actions of the Board of Directors. The Board of Directors has delegated to the Board Finance Committee (BFC) the authority to act on behalf of the Board of Directors to release funds from the Reserve Fund to pay for items of an emergency nature.

## **PURPOSE OF THE ICANN INVESTMENT POLICY**

The purpose of the ICANN Investment Policy is to:

1. Describe the philosophy of the Investment Policy that will guide investment management decisions.
2. Define and assign the responsibilities of all involved parties including the ICANN Board of Directors, the ICANN Chief Financial Officer (CFO) and personnel, and the Investment Management Company (as defined below).
3. Describe the general investment principles for investment of the funds including the size of the funds, the suggested levels of risk, the expected return on investment, the suggested liquidity level, the expected asset allocation strategy, the expected global focus, and suggested allowable and restricted asset classes.

4. Establish a basis for evaluating and reporting investment results and compliance with the Investment Policy.
5. Clarify the methods by which the Reserve Fund will be funded as well as the process by which the Reserve Fund can be accessed for emergency requirements.

## **PHILOSOPHY OF THE ICANN INVESTMENT POLICY**

The philosophy of the ICANN Investment Policy is to:

- Ensure that funds held by ICANN are invested wisely with due fiduciary care.
- Ensure that funds are safe and held securely to minimize risk of loss to the fullest extent possible.
- Ensure that funds earn appropriate returns commensurate with the level of risk and real rates of return that can offset the effects of inflation over a market cycle.
- Ensure that funds remain liquid enough to be accessible to handle the needs of ICANN's operations (Operating Fund) and the needs of ICANN, if any (Reserve Fund).
- Ensure clarity on the amounts to be held in the funds.
- Ensure clarity on the method(s) to access the funds for expenditure.

## **AREAS OF RESPONSIBILITY**

### **Board of Directors**

The Board of Directors of ICANN shall direct the ICANN Investment Policy, including:

- Create and approve the ICANN Investment Policy.
- Maintain and update the Investment Policy periodically
- Delegate to the BFC specific duties and responsibilities related to the monitoring of the Investment Policy, including:
  - Approve of the Investment Management Company.
  - Direct the CFO to monitor the Investment Management Company, monitor the performance of the funds, and the compliance with the Investment Policy.
  - Periodically monitor the performance of the Reserve Fund and Operating Fund.
  - Monitor ICANN's compliance with the Investment Policy.
  - Periodically evaluate ICANN's current risk tolerances and investment objectives.
  - Periodically report to the full Board on ICANN org's compliance with the Investment Policy.
  - Approve disbursements from the Reserve Fund.

### **ICANN Org**

ICANN's CFO, with the assistance of certain ICANN personnel, shall take certain steps to oversee the administration of the Investment Policy, including:

- Monitor and direct all activities related to the Operating Fund, including funding daily operations.

- Recommend the Investment Management Company.
- Monitor the activities of the Investment Management Company.
- Ensure that any amounts not required for the Operating Fund are transferred to the Reserve Fund.
- Respond to monthly status reports on the performance of the Reserve Fund.
- Periodically report to the Board of Directors on the performance of the Reserve Fund.
- Periodically report to the Board of Directors on compliance with the Investment Policy.

## **The Investment Management Company**

The Investment Management Company shall take certain steps to oversee the Reserve Fund including:

- Hold fiduciary responsibility for all assets in the Reserve Fund.
- Comply with all guidelines and limitations set forth in the Investment Policy.
- Manage, analyze and oversee the execution of investment decisions including buying, selling, and holding of individual securities for all asset types in all asset classes.
- Report monthly to the ICANN CFO on the performance of the Reserve Fund and compliance with the Investment Policy.
- Communicate any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process.
- Be available to report periodically to the Board of Directors on the performance results of the Reserve Fund including comparisons with approved industry benchmarks.
- Be available to report periodically to the Board of Directors on the compliance with the Investment Policy.
- Inform the Board of Directors regarding any significant changes including changes to the investment management company, its financial strength, significant decline in assets under management, SEC investigations, material litigation, changes in portfolio management personnel, ownership structure, investment philosophy, and investment processes.

## **GENERAL INVESTMENT PRINCIPLES**

### **Pools of Funds**

ICANN's investment funds will consist of two pools of funds: the Operating Fund and the Reserve Fund.

The Operating Fund, sometimes called the Working Capital Fund, is the pool of funds that is used for ICANN's day-to-day operations. The Operating Fund will not be Board restricted and will be used to fund operating expenses of ICANN, including payroll and accounts payable. All disbursements at ICANN shall comply with Board-approved disbursement guidelines and financial controls. The Operating Fund will be replenished by ICANN's revenues, and can also be replenished by the Reserve Fund if the Board determines that it is necessary.

Disbursements out of the Reserve Fund are restricted by the Board.

## **Size of Funds**

The size of the Operating Fund and the Reserve Fund shall be evaluated and established on an annual basis as part of the budget preparation process.

The Operating Fund shall contain enough funds to cover ICANN's expected expenditures for three months. Periodically, any funds in excess of this will be transferred to the Reserve Fund.

The Reserve Fund shall contain any amounts not contained in the Operating Fund. Any surplus funds will be used to build up the Reserve Fund. The Reserve Fund is expected to reach and maintain a level of funds to maintain a minimum of 12 months of expected expenditures.

## **Investment Horizon and Objectives**

The Operating Fund has a short-term horizon and a principal preservation objective to meet working capital needs. The Reserve Fund has a medium investment horizon and a conservative-moderate investment objective to enhance return on assets.

## **ESG (Environmental, Social, and Governance)**

In addition to financial considerations and investment criteria included in this investment policy for the Reserve Fund, investment decisions should integrate Environmental, Social, and Governance factors, as appropriate. The manager's proprietary ESG rating will be used to evaluate securities that are rated at the mid-point or higher of its ESG rating scale so that at least 80% of the investments are rated at or above the mid point of each firms' proprietary rating scale.

## **Guidelines: Risk Level of Funds**

Although there are many ways to measure risk, this investment policy primarily measures risk as the possibility of losing nominal asset value in a fund over a given period of time. Historical performance and volatility measures are indicators of its risk profile. A fund with very little risk would never incur losses as measured over any historical period. A fund with moderately low risk would not incur losses over most historical periods. A fund with greater risk might have incurred losses in certain historical periods.

The Operating Fund will have a conservative risk profile focusing on capital preservation with minimal principal fluctuation.

The Reserve Fund will have a conservative-moderate risk profile that is moderately low risk. The historical performance of the fund should have a very low probability of losses over any given five-year period.

## **Expected Investment Return (%) of Funds**

Funds shall be invested in assets that are expected to yield the greatest investment return given the risk profile and other parameters of the fund. Historical performance and volatility measures are indicators of its risk profile and how the fund may perform under different market conditions.

The Operating Fund is expected to earn rates of return commensurate with a principal preservation fund. The three-month US Treasury Bill is therefore considered an appropriate benchmark for a nominal rate of return.

The Reserve Fund is expected to earn rates of return commensurate with a moderately low risk portfolio. The performance objective of the investments is to provide a total investment return in excess of the performance of the agreed upon composite benchmark. A comparison shall be made with relevant market benchmarks as well as the composite returns for other peer groups with similar philosophies. The appropriate benchmark is a function of the asset classification currently in place and may consist of a balanced or weighted average index underlying such asset classes. The total return is expected to rank above the median versus a manager universe with a similar asset mix.

The Reserve Fund should preserve the real (inflation-adjusted) purchasing power of the Reserve Fund's assets while maximizing real income. Real income is defined as the sum of dividends, interest, and realized gains/losses less the inflation rate as measured by CPI (Consumer Price Index) over a market cycle or rolling 10- year period.

### **Guidelines: Liquidity Level of Funds**

Liquidity is a measure of whether the assets of the fund can be sold for cash without a significant realized principal loss. A highly liquid fund would not suffer losses even if there were an immediate sale of the assets of the fund. A moderately liquid fund would not suffer significant losses even if the assets were sold over a period of time of less than one year.

The Operating Fund will be highly liquid and only invest in cash, cash equivalents, or money market instruments (including certificates of deposits, commercial paper or SEC 2a-7 money market funds.) All funds are daily valued and can be accessed within 48 hours without any significant loss in value.

The Reserve Fund is suggested to be moderately liquid. Reserve Fund assets do not need to be sold for cash except in an emergency. The Reserve Fund may invest in money market instruments and SEC 2a-7 money market funds. It is suggested that the Reserve Fund be liquid enough to realize one-third of its value without significant loss within 30 days, two-thirds of its value without significant loss within two months, and all of its value without significant loss within six months. A significant loss is defined as more than 15% realized loss. Losses in excess require BFC and Board approval.

### **Permissible Investment Vehicles**

The Investment Management Company may recommend investments in actively managed and/or passive strategies that invest in marketable securities. These strategies may be institutional

mutual funds, collective trusts or commingled funds. The underlying security holdings must be transparent. The strategies must be non-lending portfolios.

### **Expected Asset Classification/Portfolio Mix and Allocation Constraints of Funds**

The asset classification/portfolio mix guides the Investment Management Company to create a portfolio that best reflects the risk posture, expected return, and other investment parameters described in the Investment Policy. The categories of classification described, and the measurements expected to be complied with, in this Investment Policy are a percentage of cash equivalents, a percentage of bonds, and a percentage of equities. In addition, the allocation constraints allow the Investment Manager to rebalance the portfolio within a risk-controlled framework and should avoid market-timing changes. Rebalancing should not incur losses or administrative burdens. Portfolio rebalancing is required at least semi-annually and may be as frequent as quarterly or monthly.

The Operating Fund's asset classification is 100% cash, cash equivalents, money market instruments or SEC 2a-7 money market fund. The constraint is zero.

The Reserve Fund's Normal Asset Allocation is 65% Global Bonds and 35% Global Equities and Real Estate. The Asset Allocation is a long term asset allocation target. The Investment Management Company will manage a Tactical Asset Allocation Non-Lending Portfolio consistent with the allocations within the Allowable Investment Range. The portfolio will be rebalanced generally to maintain the allocations. The Investment Management Company may also rebalance in response to changes in economic and market conditions, liquidity requirements or provide defensive positioning to improve downside protection. Market timing is not permissible. The table below indicates the asset allocation ranges:

<b>Asset Class</b>	<b>Normal Asset Allocation</b>	<b>Allowable Investment Range</b>
Global Fixed Income	65%	45%-85%
Global Equities & Real Estate	35%	15%-55%

### **Guidelines: Global Focus of Funds**

ICANN's funds are to be invested in well diversified assets that perform well in terms of return on investment and also are invested safely to reduce the risk of loss on the portfolio. Safety and performance are the most important priorities. The ICANN Investment Policy assumes that a well diversified portfolio designed for investment performance and safety should contain a significant amount of investments in non-US assets and are also based in non-US dollar denominated currencies.

The Investment Policy recognizes that ICANN is a U.S.-based organization, but it also must recognize that ICANN has a distinctly global focus. The funds that ICANN invests in should reflect the global nature of ICANN. The actual assets allocated to non-U.S.-based assets and non-U.S. dollar denominated investments shall be suggested by the Investment Management Company and approved by the ICANN CFO.

The Operating Fund may be denominated in its functional currencies to meet operating needs but does not require a significant global focus.

The Reserve Fund is suggested to have a significant global focus. The Investment Policy enables the Reserve Fund to invest in global assets. Actual allocations are to be monitored by the Board and may be subject to further limitations between developing and emerging foreign markets consistent with ICANN's risk profile.

### **Guidelines: Asset Classes of Funds**

The Investment Policy requires the Investment Management Company to recommend particular active and/or index fund managers, institutional mutual funds, collective trusts or commingled funds, categories of investments, etc., that comply with the Investment Policy principles and guidelines.

### **Operating Fund Allowable Assets**

#### **Cash, Cash Equivalents, and Money Market Instruments**

- Checking accounts in acceptable investment grade financial institutions
- Certificates of Deposit – issued by acceptable investment grade financial institutions
- U.S. Government Treasury securities
- U.S. Agency securities – obligations issued or guaranteed by an agency of the U.S. government
- Commercial Paper – issued by corporations possessing the highest rating issued by Moody's or Standard & Poor's (A1/P1)
- Money market funds – SEC 2a-7 money funds

### **Reserve Fund Allowable Assets**

#### **Investment Grade Fixed Income Securities**

- U.S. Government and Agency Securities (e.g., GNMA and FNMA)
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Asset Backed Securities (e.g., Auto and Credit Card)
- Sovereign Governments, Agencies and Supranationals
- Local Authorities
- Institutional mutual funds or commingled funds which invest in fixed income securities, money market instruments, and SEC 2a-7 money market funds
- Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.

Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.

### **Non-Investment Grade Fixed Income Securities**

No more than 10% of the total portfolio may consist of U.S. marketable securities rated below investment grade (limited to BB and B rated), and may include high yield, notes, bonds, 144A, fixed rate and floating rate securities. In the event that registered mutual funds, collective trusts or commingled funds hold fixed income securities below investment grade, the Investment Management Company and ICANN CFO will monitor the percentage holdings and take the appropriate action to reduce exposures consistent with ICANN's moderately low risk profile.

### **Average Portfolio Credit Quality**

The minimum weighted average credit quality of the portfolio shall be A2/A.

### **Equity Securities**

- Common Stocks
- Preferred Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- Stocks of Non-US Companies (Ordinary Shares)
- Stocks of REITs
- Non-Lending Institutional Mutual Funds, Collective Trusts or Commingled Funds which invest in securities as allowed in this statement

There shall be no direct investments in non-marketable securities.

### **Prohibited Assets and Transactions**

- Exchange traded or OTC Commodities and Futures Contracts Private Placements
- Private Placements
- Credit default, interest rate and commodity swaps
- Exchange traded or OTC Options
- Limited Partnerships
- Venture-Capital Investments
- Real Estate Properties
- Derivative Investments
- Hedge funds
- Short Selling
- Margin Transactions
- Commodities

In certain circumstances, institutional mutual fund, collective trusts or commingled fund investments may engage in transactions that include prohibited transactions for the purpose of hedging operations to minimize transaction costs, rebalancing and replicating the benchmark.

In the event that institutional mutual funds or commingled funds hold prohibited assets defined above, the Investment Management Company and CFO will monitor the holdings and take the appropriate action to reduce exposures consistent with ICANN's moderately low risk profile.

### **Securities Lending**

This policy prohibits ICANN from undertaking a Securities Lending Program. The institutional mutual funds, collective trusts or commingled funds must be non-lending portfolios.

### **Fair Value of Investments**

The Investment Management Company must make all investments in securities and funds that have readily determinable fair values. All fair value measurements must be consistent with ASC 820 (FAS 157) which defines fair value and establishes a framework for measuring fair value (market value).

### **Ethics and Conflicts of Interest**

All Board Members, the CFO, and the Investment Management Company personnel shall comply with all applicable conflicts of interest policies and otherwise refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Any known or suspected violations must be disclosed to ICANN's General Counsel.

## **APPROVAL OF DISBURSEMENTS FROM THE RESERVE FUND**

The Reserve Fund is the pool of investments held by ICANN for the purpose described in the Introduction section of this document. The Reserve Fund is funded by any assets not required for use by ICANN's Operating Fund. Use of any funds from the Reserve Fund is restricted by action of the Board of Directors of ICANN. The Board at its sole discretion and judgment shall determine whether an emergency exists for purposes of releasing funds from the Reserve Fund.

Due to the nature of a requirement to release funds from the Reserve Fund, it may be necessary to make a rapid decision. For this reason, the Board of Directors has delegated to the Board Finance Committee (BFC) the authority to act on behalf of the Board of Directors of ICANN to disburse funds of up to \$5 million from the Reserve Fund. Any such action by the BFC will be communicated to the full Board of Directors within seven days of such action.

## **PERIODIC REVIEW/APPROVAL OF POLICY AND EXCEPTIONS**

This policy will be subject to periodic review by the CFO and BFC. Specific elements to be reviewed include:

1. Appropriate operating fund limits (currently three months' operating expenses)
2. ICANN's investment objectives and risk tolerances
3. Allowable and permitted investments
4. Portfolio asset allocation and mix
5. Portfolio benchmarks
6. Portfolio rebalancing

Exceptions to this policy require BFC and Board approval as necessary. All exceptions should be communicated by the ICANN CFO to the BFC within a 48-hour period, or as soon thereafter as is practicable, including details of appropriate action to be taken.

# Investment Policy

## New gTLD and Auction Proceeds

Adopted 20 December 2012

1. PURPOSE OF THIS DOCUMENT
2. ICANN's OBJECTIVES
3. USE OF EXTERNAL RESOURCES
  1. 3.1 Managers and Custodians structure
  2. 3.2 Investment manager
  3. 3.3 Custodian bank
4. INVESTMENT GUIDE LINES
  1. 4.1 Overall portfolio requirements
    1. 4.1.1 Expected investment return
    2. 4.1.2 Average portfolio quality
    3. 4.1.3 Diversification
  2. 4.2 Prohibited securities
  3. 4.3 Eligible investments
    1. 4.3.1 Eligibility criteria
    2. 4.3.2 List of eligible securities
5. COMMUNICATION
  1. 5.1 Reporting requirements
  2. 5.2 Cash flow communication
6. GOVERNANCE
  1. 6.1 Responsibilities of the ICANN Board of Directors

## 2. 6.2 Responsibilities of the ICANN Staff and CFO

### 7. EXCEPTIONS

### 8. ACCOUNTING

## APPENDIX

## ELIGIBLE INVESTMENTS AND CREDIT QUALITY

### **1. PURPOSE OF THIS DOCUMENT**

This document sets out the Investment Policy agreed by the ICANN Board of Directors for the investment of cash on hand (funds) pertaining to the New gTLD program and the Auction Proceeds. This document has been prepared jointly with ICANN's external financial advisors.

### **2. ICANN's OBJECTIVES**

The ICANN Board of Directors has set out the following three main objectives:

- First, ensure that funds are safe and the capital is preserved.
- Second, ensure that funds remain liquid to meet the needs of ICANN's New gTLD and Auction Proceeds operations.
- Third, ensure that funds earn appropriate returns commensurate with the level of risk.

### **3. USE OF EXTERNAL RESOURCES**

In order to meet the above objectives, ICANN will retain external investment expertise to hold (custodian bank) and invest (investment manager) funds. A firm can be both a custodian bank and an investment manager for ICANN, if the separate criteria for each role are all met at the same time and no conflict between the role of manager and the role of custodian is identified.

ICANN will not borrow funds from any institution to leverage the portfolio or for speculative purposes. ICANN may enter reverse repurchase agreements with prior approval from the Chief Financial Officer to provide short-term liquidity, if necessary.

#### **3.1 Managers and Custodians structure**

ICANN will at all times use a sufficient number of custodian banks so that no one custodian bank holds more than 80% of the insurance amount that such bank has in place.

If 80% of the insurance amount in place at a custodian exceeds \$75m, the amount of funds held by any custodian will not exceed \$75m.

Provided that the above conditions are met, ICANN will not use more than 5 different custodian banks, for practical purposes. This last limit was determined assuming that most custodian banks have in place an insurance amount at or above \$100m.

Until such time that the New gTLD funds invested under this Investment Policy exceed in aggregate \$150m, ICANN will use at least 3 different investment managers. When the amount of New gTLD funds invested will be less than \$150m, the CFO will consult an advisor, and will recommend a reduction of the number of investment managers if deemed appropriate. These same parameters will also apply to the Auction Proceeds.

### **3.2 Investment manager**

External investment manager(s) utilized must meet the following criteria:

- Must be an SEC-registered investment advisor with SEC Form ADV readily available and in good standing with regulators.
- Manage a minimum of \$1 billion in institutional fixed income portfolios.
- Have a verifiable fixed income performance record for the prior five years that complies with the CFA Institute's GIPS (Global Investment Performance Standards).

The external Investment Manager(s) will have the following responsibilities:

- Comply with all guidelines and limitations set forth in the Investment Policy.
- Analyze, oversee, direct the execution of investment decisions
- Report monthly to the CFO on the performance of the Processing Fund and compliance with the Investment Policy and the overall credit quality, duration and cash flow of the portfolio.
- Communicate any major changes to economic outlook, market conditions, investment strategy, credit downgrades or any other factors, which affect the portfolio(s).
- Be available to report periodically to the Board of Directors on the performance results and cash flow projections of the Processing Fund including comparisons with approved industry benchmarks.
- Be available to report periodically to the Board of Directors on the compliance with the Investment Policy.
- Inform the CFO (or CEO) regarding any significant changes including changes to the investment management firm, its financial strength, significant changes in assets under management, SEC investigation, material litigation, changes in portfolio management personnel, ownership structure, investment philosophy, and investment processes.

- Provide ICANN with all requisite monthly and quarterly reports, including, but not limited to:
  - Credit ratings, downgrades/upgrades
  - Sector allocations
  - Maturity/Duration distribution
  - Total rates of return (CFA Institute's GIPS)
  - Reports of any realized and unrealized capital gains/losses
  - Transactions
  - Benchmark comparisons

### **3.3 Custodian bank**

All investments managed by external investment managers must be held in bank custodial account(s) that are segregated from the firm's assets. All transactions will be reconciled to the custody account statements on a monthly basis.

Custodian bank(s) must meet all of the following criteria:

- Minimum long-term debt credit rating of Investment Grade (A4/A-) as determined by any two of the NRSROs (Nationally Recognized Statistical Rating Organizations).
- Must have an unqualified SSAE 16 (formerly SAS 70) audit by an independent audit firm that is registered with PCAOB (Public Company Accounting Oversight Board created by Sarbanes-Oxley)
- Must maintain insurance: Financial Institutions Bond that covers losses from employee theft, loss of securities on premises/in transit, forgery, etc. and Professional Liability (Errors & Omissions).

The custodian bank(s) will have the following responsibilities:

- Hold fiduciary responsibility for all assets in the Fund.
- Comply with all guidelines and limitations set forth in the Investment Policy.
- Complete all actions instructed by the investment managers including buying, selling, and holding of individual securities for all asset types in all asset classes.
- Must provide accounting reports that are consistent with FAS 124.
- Must provide a complete and detailed listing of all securities held for this account, fair market values, amortized cost values of each security, realized and unrealized

gains/losses, accrued and earned interest and a detailed transaction report on a monthly basis.

- Must price the securities at each month end at fair market value using independent third party pricing services that are consistent with FAS 157.

## **4. INVESTMENT GUIDELINES**

### **4.1 Overall portfolio requirements**

#### 4.1.1 Expected investment return

Funds will be invested in assets that are expected to yield the greatest investment return given the risk profile, cash flow needs, and other parameters of the fund.

The Processing Fund is expected to earn rates of return commensurate with a capital preservation fund. The BOAML 3 Month LIBID is considered an appropriate performance benchmark for the short-term portion of the portfolio. The longer-term portion benchmark is to be determined.

#### 4.1.2 Average portfolio quality

The portfolio will maintain a minimum weighted average portfolio quality of A3 by Moody's and A- by Standard & Poor's.

#### 4.1.3 Diversification

Portfolio diversification will be a tool for minimizing risk while maintaining liquidity. No more than 5% of the portfolio will be invested with any one issuer, with the exception of the U.S. Treasury and its Federal Agencies for which no limit will be imposed.

Government Sponsored Enterprise (GSE) issued mortgage-backed securities will be limited to 5% per issue basis rather than per issuer. Each FNMA or FHLMC mortgage backed security must have different underlying mortgages and a different CUSIP number.

GSE debentures will be limited to 20% per issuer.

Asset backed securities will be limited to 5% per issue basis rather than per issuer. Each asset-backed issue must have a different trust, different underlying collateral and different CUSIP number.

Money market fund investments will be limited to a maximum of 5% of the specific fund's total assets.

### **4.2 Prohibited securities**

Prohibited securities include auction rate securities, auction rate preferred stock and perpetual preferreds, securities with short-puts on bonds with long stated final maturities, collateralized

bond obligations (CBOs), collateralized debt obligations (CDOs), collateralized loan obligations (CLOs), collateralized trusts that have embedded leverage, interest only securities (IOs), super POs and principal only securities (POs), residuals, credit default swaps (CDS), tiered indexed bonds and two –tiered indexed bonds, mortgage backed securities. Floating rate securities with embedded interest rate caps, collars, inverse interest rate relationships, leverage floaters, and indices not directly correlated with money market interest rate movements are not permitted. Securities with deferred interest payments, extendible maturities at issuer's option, structured investment vehicles (SIVs), and subordinated issues are not eligible for the investment portfolio.

There will be no foreign currency or margin purchases; short sales; options, uncovered call options, puts, or straddles; futures or commodity futures; letter stock; illiquid securities; non-financial commodities such as precious metals; direct ownership of real estate or mortgages; international securities unless listed on a National Exchange and U.S. dollar denominated; or direct interest in gas, oil or other mineral exploration or development programs and hedge funds.

### **4.3 Eligible investments**

#### 4.3.1 Eligibility criteria

- All eligible securities must carry at least one credit quality rating from Moody's, Standard & Poor's, Fitch, or DBRS. In the case of split ratings, the lower of the ratings will be considered the overall credit rating.
- The Investment Manager's responsibility for assessing the credit quality of eligible securities is ongoing on a daily basis and is not limited to credit quality at the time of purchase.
- All eligible securities must be senior notes or senior classes of the capital structure of the issuer or the senior tranche or class of the collateralized issue. Notes, tranches or classes, preferred shares and equities that are all junior to senior notes of all eligible issuers are prohibited.
- Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.
- Fixed rate securities are limited to 3.5 years stated final maturity or 3.5 year weighted average life (WAL).
- All investments will be U.S. dollar-denominated.
- The funds may be invested with a moderate global focus if the securities are USD, meet the principles of the investment policy, and are eligible assets.

ESG (Environmental, Social, and Governance) In addition to financial considerations and investment criteria included in this investment policy, investment decisions should integrate

Environmental, Social, and Governance factors, as appropriate. The manager's proprietary ESG rating will be used to evaluate securities that are rated at the mid-point or higher of its ESG rating scale so that at least 80% of the investments are rated at or above the mid point of each firms' proprietary rating scale. 4.3.2 List of eligible securities

a - United States Treasury Securities

Marketable securities which are direct obligations of the U.S.A., issued by and guaranteed as to principal and interest by the U. S. Treasury and supported by the full faith and credit of the United States.

b - United States Government Agency Securities

Federal Agency Securities

Certain corporations wholly owned by the U.S. Government such as Government National Mortgage Association (GNMA) or the Small Business Association (SBA) issue debt securities that are backed by the "full faith and credit" of the U.S. Government.

c - Government Sponsored Enterprises (GSEs)

Enterprises chartered by Congress to fulfill a public purpose, but privately owned and operated are not government agencies despite government sponsorship. GSEs include, but are not limited to the Federal Farm Credit Banks (FFCBs), the Federal Home Loan Banks (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA).

d - Tri-Party Repurchase Agreements

Tri-party repurchase agreements (repos) will be transacted only with financial institutions that are rated a minimum of A3 by Moody's or A- by S&P. All transactions must be fully collateralized by U.S. Treasury, U.S. Federal Agency obligations, Government Sponsored Enterprises, money market instruments, or corporates eligible within this policy. Collateral must be market-priced greater than the invested amount on a daily basis (minimum of 102%). Up to a maximum of 10% of the portfolio may be invested with one counterparty. Transactions are limited to 15-day maturities.

e - Money Market Funds

Institutional money market funds that comply with SEC 2a-7, offer daily liquidity and do not have a fluctuating net asset value (NAV). Enhanced cash, LIBOR Plus funds that are not SEC 2a-7 compliant and whose net asset value (NAV) may fluctuate are not permissible as money market funds.

f - Money Market Instruments

Short-term obligations of financial institutions and corporations including but not limited to commercial paper, asset-backed commercial paper (ABCP), time deposits, certificates of deposit (CDs). Instruments must have a minimum short term rating of A-1 by S & P or P-1 by Moody's.

g - Corporate Debt Instruments

Unsecured promissory notes issued by corporations or financial institutions including but not

limited to Medium-Term Notes, Deposit Notes, 144(a) Securities, Eurodollar Notes and Yankee Notes and Bonds must be rated at least Baa3 by Moody's or BBB- by S&P or equivalent.

**h - Non-US Sovereign, Supranational Organizations or International Agencies**

Notes, bonds or debt instruments issued by non-U.S. sovereigns that are direct obligations of the sovereign or supported by the full faith and credit of that sovereign are eligible investments. Supranational organizations or international agencies including but not limited to World Bank (WLDB), Asian Development Bank, Inter-American Development Bank, Agency for International Development (AID) are eligible investments. All investments must have a minimum long-term debt rating of Aa3 by Moody's or AA- by S&P or equivalent. All securities must be U.S. dollar denominated.

**i - Non-US Governmental or Federal Agencies**

Senior debentures of any governmental or federal agency which obligations are guaranteed by the sovereign nation or represent the full faith and credit of the sovereignty must have a minimum rating of Aa3 by Moody's or AA- by S&P or equivalent. All securities must be U.S. dollar denominated.

**j - Local Governments or Authorities**

Debt obligations of provinces, states, municipalities or local governments guaranteed by a governmental body must have a minimum long term debt rating of Aa3 by Moody's or AA- by S&P or equivalent. All securities must be U.S. dollar denominated.

**k - Asset-Backed Securities (ABS)**

ABS are bonds, including commercial paper, backed by the monthly cash flows associated with consumer and business receivables that are packaged by a company and sold in the securities markets. Securities supported by assets, such as automobile loans, truck loans, credit card receivables, rate reduction bonds, floorplans and other loans or assets that are owned by the issuer and, usually, placed with a trustee. Assets that are second liens, home equity loans, manufactured housing with long stated final maturities and are sensitive to prepayment changes and extension risk are not eligible. Eligible securities must be senior notes, have a WAL (Weighted Average Life) of 3.5 years or less, must be rated at least Aa3 by Moody's or AA- by S & P or equivalent.

**l - US Municipal Obligations or Local Authority**

Direct obligations of or obligations fully guaranteed by a state, territory, or a possession of the United States must have a minimum rating of A3 by Moody's or A- by S&P or equivalent.

Pre-Refunded bonds or Escrowed to maturity for principal and interest by U.S. Treasury and/or U.S. Federal Agency securities are eligible investments.

Approved credit enhancements for securities when issuer's standalone credit rating is A3 by Moody's or A- by S&P or higher and subject to a 5% per issuer limit include:

- Bank Letter of Credit (LOC), irrevocable and unconditional, rated A-1 by S&P or P-1 by Moody's or equivalent. Limited to 5% of portfolio value per LOC provider.

- Insurance by any monoline insurer rated Aa3 by Moody's or AA- by S&P or equivalent. Limited to 5% of portfolio value per insurer.

## **5. COMMUNICATION**

### **5.1 Reporting requirements**

Each Investment Manager will report results to ICANN monthly. In addition to the net investment performance detailed above, written reports will include a review of the credit quality and risk characteristics of the portfolio, portfolio cash flows and a synopsis of the Investment Manager's economic and investment outlook.

ICANN will monitor the Investment Manager(s) on a continual basis for compliance with the investment guidelines, liquidity and investment risk as measured by asset concentration and market volatility.

### **5.2 Cash flow communication**

ICANN will communicate regularly as to its cash flow needs in order for the Investment Manager(s) to modify the portfolio accordingly. ICANN will be responsible for advising the Investment Manager in a timely manner of ICANN's distribution requirements from any managed portfolio or fund. The Investment Manager is responsible for providing adequate liquidity to meet such distribution requirements. ICANN's Chief Financial Officer will be responsible for communicating the cash flow requirements to the Investment Manager in a timely manner.

## **6. GOVERNANCE**

### **6.1 Responsibilities of the ICANN Board of Directors**

The Board of Directors of ICANN will direct the ICANN New gTLD and Auction Proceeds Investment Policy, including:

- Approve the New gTLD and Auction Proceeds Investment Policy and any suggested changes to it.
- Maintain and update the Investment Policy periodically (at least annually).
- Delegate to the Board Finance Committee (BFC) specific duties and responsibilities related to the monitoring of the Investment Policy, including:
  - Ensure that an adequate process of selection of external resources is in place.
  - Periodically review the compliance to the Investment policy and report to the full board the compliance with the Investment Policy.
  - Periodically reviews the performance of the invested portfolio.

## **6.2 Responsibilities of the ICANN Staff and CFO**

ICANN's CFO, with the assistance of ICANN staff, will oversee the administration of the Investment Policy, including:

- Monitors and direct all activities related to funding daily operations.
- Manages the selection process for selecting external resources
- Appoints external resources.
- Monitors the activities of the Investment Manager(s).

Periodically reports to the Board of Directors on the liquidity, performance of the Fund and compliance with the Investment Policy.

## **7. EXCEPTIONS**

Any intended exceptions to this Investment Policy by an external manager must be documented by written approval from ICANN's Chief Financial Officer prior to execution of the transaction. In the event that any unintended exceptions to this Investment Policy do occur, it will be reported to ICANN as soon as the external Investment Manager becomes aware of the violation. Actions to eliminate any unauthorized exception to this Investment Policy will be cured immediately and at the expense of the external Investment Manager. If an investment rating for a security is reduced below the minimums set by this Investment Policy, the external investment manager will contact ICANN immediately and an action plan will be agreed upon by both parties.

## **8. ACCOUNTING**

Potential investments should be analyzed in light of ICANN's tax-exempt status as a nonprofit organization. This Investment Policy permits trading securities (realizing gains/losses) by the Investment Manager within specific constraints.

All portfolio managers must notify the Chief Financial Officer immediately to obtain pre-authorization in order to realize a net loss in any given month. Any material event that affects the value of the portfolio must be reported immediately.

If the portfolio's exposure to an individual issuer is increased in excess of 5% due to an unexpected cash withdrawal, the portfolio manager will contact the Chief Financial Officer within 48 hours to continue to hold the bonds or will have the discretion to sell bonds to reduce the exposure to below 5%.

For investment accounting purposes the portfolios will be subject to Statement of Financial Accounting Standards Board Statement No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations."

## APPENDIX ELIGIBLE INVESTMENTS AND CREDIT QUALITY

All eligible securities must carry at least one credit quality rating from Moody's, Standard & Poor's, Fitch, or DBRS. In the case of split ratings, the lower of the ratings will be considered the overall credit rating. The Investment Manager's responsibility for assessing the credit quality of eligible securities is ongoing on a daily basis and is not limited to credit quality at the time of purchase.

### Senior Securities

All eligible securities must be senior notes or senior classes of the capital structure of the issuer or the senior tranche or class of the collateralized issue. Notes, tranches or classes, preferred shares and equities that are all junior to senior notes of all eligible issuers are prohibited.

### Floating Rate Securities

Floating rate securities whose interest rates are linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly semi-annually or annually are eligible investments. Stated final maturities permissible up to 5 years.

### Fixed Rate Securities

Fixed rate securities are limited to 3.5 years stated final maturity or 3.5 year weighted average life (WAL).

### Issuer Exposure

Per Issuer	5% of portfolio per issuer; no per issuer limit for U.S. Treasury and Federal Agency Securities
Per Repurchase Agreement	10% maximum per counterparty
Per ABS, MBS, CMBS, CMO trust issue	5% of the portfolio per trust, different collateral, different CUSIP
Money Market Funds	5% of specific money fund's assets
Per GSE Debenture Issuer	20%

<b>US Treasury Securities</b>	NA		100%
<b>US Government Agency Securities</b>	NA		100%

<b>Federal Agency Securities</b>			
<b>US Government Sponsored Enterprises (GSEs)</b>	NA	20% per issuer	100%
<b>Tri-Party Repurchase Agreements</b>	Counterparty rated A3/A-	102% collateral; 15 days; 10% per counterparty	20%
<b>SEC 2a-7 Money Market Funds</b>	NA	5% of money fund's assets	25%
<b>Money Market Instruments (CP, ABCP, CD)</b>	A-1/P-1		50%
<b>Corporate Debt Instruments (MTN, 144a, notes, bonds)</b>	Baa3/BBB-		45% >A rated 15% BBB rated
<b>Non-US Sovereign Supranational Organizations International Agencies</b>	Aa3/AA-	U.S. dollar denominated	40%
<b>Non-US Governmental Agencies Federal Agencies</b>	Aa3/AA-	U.S. dollar denominated	30%
<b>Non-US Governmental or Federal Agencies</b>	Aa3/AA-	U.S. dollar denominated	30%
<b>Local Governments or Authorities</b>	Aa3/AA-	U.S. dollar denominated	25%
<b>Asset-Backed Securities (ABS)</b>	Aa3/AA-	Assets that are second liens, home equity loans, manufactured housing with long stated final maturities or extension risk are excluded.	15%
<b>US Municipal Obligations Local Authority</b>	A3/A-		15%
<b>Credit Enhancements</b>  - Bank Letter of Credit (LOC), Irrevocable and	A-1/P-1  Aa1/AA+	5% per issuer limit - Irrevocable and unconditional LOC, 5% of portfolio per LOC or liquidity provider. - 5% of portfolio per insurer	

unconditional - Monoline insurance			
<b>Currencies</b>		- All eligible investments will be U.S. dollar-denominated.	
<b>Average Portfolio Quality</b>	A3/A-		
<b>Average Portfolio Duration</b>		To be determined.	

### ESG (Environmental, Social, and Governance)

In addition to financial considerations and investment criteria included in this investment policy, investment decisions should integrate Environmental, Social, and Governance factors, as appropriate. The manager's proprietary ESG rating will be used to evaluate securities that are rated at the mid-point or higher of its ESG rating scale so that at least 80% of the investments are rated at the mid point or above of the firms' scale.

# Investment Policy

## New gTLD and Auction Proceeds

Adopted 20 December 2012

1. PURPOSE OF THIS DOCUMENT
2. ICANN's OBJECTIVES
3. USE OF EXTERNAL RESOURCES
  1. 3.1 Managers and Custodians structure
  2. 3.2 Investment manager
  3. 3.3 Custodian bank
4. INVESTMENT GUIDE LINES
  1. 4.1 Overall portfolio requirements
    1. 4.1.1 Expected investment return
    2. 4.1.2 Average portfolio quality
    3. 4.1.3 Diversification
  2. 4.2 Prohibited securities
  3. 4.3 Eligible investments
    1. 4.3.1 Eligibility criteria
    2. 4.3.2 List of eligible securities
5. COMMUNICATION
  1. 5.1 Reporting requirements
  2. 5.2 Cash flow communication
6. GOVERNANCE
  1. 6.1 Responsibilities of the ICANN Board of Directors

## 2. 6.2 Responsibilities of the ICANN Staff and CFO

### 7. EXCEPTIONS

### 8. ACCOUNTING

## APPENDIX

## ELIGIBLE INVESTMENTS AND CREDIT QUALITY

### **1. PURPOSE OF THIS DOCUMENT**

This document sets out the Investment Policy agreed by the ICANN Board of Directors for the investment of cash on hand (funds) pertaining to the New gTLD program and the Auction Proceeds. This document has been prepared jointly with ICANN's external financial advisors.

### **2. ICANN's OBJECTIVES**

The ICANN Board of Directors has set out the following three main objectives:

- First, ensure that funds are safe and the capital is preserved.
- Second, ensure that funds remain liquid to meet the needs of ICANN's New gTLD and Auction Proceeds operations.
- Third, ensure that funds earn appropriate returns commensurate with the level of risk.

### **3. USE OF EXTERNAL RESOURCES**

In order to meet the above objectives, ICANN will retain external investment expertise to hold (custodian bank) and invest (investment manager) funds. A firm can be both a custodian bank and an investment manager for ICANN, if the separate criteria for each role are all met at the same time and no conflict between the role of manager and the role of custodian is identified.

ICANN will not borrow funds from any institution to leverage the portfolio or for speculative purposes. ICANN may enter reverse repurchase agreements with prior approval from the Chief Financial Officer to provide short-term liquidity, if necessary.

#### **3.1 Managers and Custodians structure**

ICANN will at all times use a sufficient number of custodian banks so that no one custodian bank holds more than 80% of the insurance amount that such bank has in place.

If 80% of the insurance amount in place at a custodian exceeds \$75m, the amount of funds held by any custodian will not exceed \$75m.

Provided that the above conditions are met, ICANN will not use more than 5 different custodian banks, for practical purposes. This last limit was determined assuming that most custodian banks have in place an insurance amount at or above \$100m.

Until such time that the New gTLD funds invested under this Investment Policy exceed in aggregate \$150m, ICANN will use at least 3 different investment managers. When the amount of New gTLD funds invested will be less than \$150m, the CFO will consult an advisor, and will recommend a reduction of the number of investment managers if deemed appropriate. These same parameters will also apply to the Auction Proceeds.

### **3.2 Investment manager**

External investment manager(s) utilized must meet the following criteria:

- Must be an SEC-registered investment advisor with SEC Form ADV readily available and in good standing with regulators.
- Manage a minimum of \$1 billion in institutional fixed income portfolios.
- Have a verifiable fixed income performance record for the prior five years that complies with the CFA Institute's GIPS (Global Investment Performance Standards).

The external Investment Manager(s) will have the following responsibilities:

- Comply with all guidelines and limitations set forth in the Investment Policy.
- Analyze, oversee, direct the execution of investment decisions
- Report monthly to the CFO on the performance of the Processing Fund and compliance with the Investment Policy and the overall credit quality, duration and cash flow of the portfolio.
- Communicate any major changes to economic outlook, market conditions, investment strategy, credit downgrades or any other factors, which affect the portfolio(s).
- Be available to report periodically to the Board of Directors on the performance results and cash flow projections of the Processing Fund including comparisons with approved industry benchmarks.
- Be available to report periodically to the Board of Directors on the compliance with the Investment Policy.
- Inform the CFO (or CEO) regarding any significant changes including changes to the investment management firm, its financial strength, significant changes in assets under management, SEC investigation, material litigation, changes in portfolio management personnel, ownership structure, investment philosophy, and investment processes.

- Provide ICANN with all requisite monthly and quarterly reports, including, but not limited to:
  - Credit ratings, downgrades/upgrades
  - Sector allocations
  - Maturity/Duration distribution
  - Total rates of return (CFA Institute's GIPS)
  - Reports of any realized and unrealized capital gains/losses
  - Transactions
  - Benchmark comparisons

### **3.3 Custodian bank**

All investments managed by external investment managers must be held in bank custodial account(s) that are segregated from the firm's assets. All transactions will be reconciled to the custody account statements on a monthly basis.

Custodian bank(s) must meet all of the following criteria:

- Minimum long-term debt credit rating of Investment Grade (A4/A-) as determined by any two of the NRSROs (Nationally Recognized Statistical Rating Organizations).
- Must have an unqualified SSAE 16 (formerly SAS 70) audit by an independent audit firm that is registered with PCAOB (Public Company Accounting Oversight Board created by Sarbanes-Oxley)
- Must maintain insurance: Financial Institutions Bond that covers losses from employee theft, loss of securities on premises/in transit, forgery, etc. and Professional Liability (Errors & Omissions).

The custodian bank(s) will have the following responsibilities:

- Hold fiduciary responsibility for all assets in the Fund.
- Comply with all guidelines and limitations set forth in the Investment Policy.
- Complete all actions instructed by the investment managers including buying, selling, and holding of individual securities for all asset types in all asset classes.
- Must provide accounting reports that are consistent with FAS 124.
- Must provide a complete and detailed listing of all securities held for this account, fair market values, amortized cost values of each security, realized and unrealized

gains/losses, accrued and earned interest and a detailed transaction report on a monthly basis.

- Must price the securities at each month end at fair market value using independent third party pricing services that are consistent with FAS 157.

## **4. INVESTMENT GUIDELINES**

### **4.1 Overall portfolio requirements**

#### 4.1.1 Expected investment return

Funds will be invested in assets that are expected to yield the greatest investment return given the risk profile, cash flow needs, and other parameters of the fund.

The Processing Fund is expected to earn rates of return commensurate with a capital preservation fund. The BOAML 3 Month LIBID is considered an appropriate performance benchmark for the short-term portion of the portfolio. The longer-term portion benchmark is to be determined.

#### 4.1.2 Average portfolio quality

The portfolio will maintain a minimum weighted average portfolio quality of A3 by Moody's and A- by Standard & Poor's.

#### 4.1.3 Diversification

Portfolio diversification will be a tool for minimizing risk while maintaining liquidity. No more than 5% of the portfolio will be invested with any one issuer, with the exception of the U.S. Treasury and its Federal Agencies for which no limit will be imposed.

Government Sponsored Enterprise (GSE) issued mortgage-backed securities will be limited to 5% per issue basis rather than per issuer. Each FNMA or FHLMC mortgage backed security must have different underlying mortgages and a different CUSIP number.

GSE debentures will be limited to 20% per issuer.

Asset backed securities will be limited to 5% per issue basis rather than per issuer. Each asset-backed issue must have a different trust, different underlying collateral and different CUSIP number.

Money market fund investments will be limited to a maximum of 5% of the specific fund's total assets.

### **4.2 Prohibited securities**

Prohibited securities include auction rate securities, auction rate preferred stock and perpetual preferreds, securities with short-puts on bonds with long stated final maturities, collateralized

bond obligations (CBOs), collateralized debt obligations (CDOs), collateralized loan obligations (CLOs), collateralized trusts that have embedded leverage, interest only securities (IOs), super POs and principal only securities (POs), residuals, credit default swaps (CDS), tiered indexed bonds and two –tiered indexed bonds, mortgage backed securities. Floating rate securities with embedded interest rate caps, collars, inverse interest rate relationships, leverage floaters, and indices not directly correlated with money market interest rate movements are not permitted. Securities with deferred interest payments, extendible maturities at issuer's option, structured investment vehicles (SIVs), and subordinated issues are not eligible for the investment portfolio.

There will be no foreign currency or margin purchases; short sales; options, uncovered call options, puts, or straddles; futures or commodity futures; letter stock; illiquid securities; non-financial commodities such as precious metals; direct ownership of real estate or mortgages; international securities unless listed on a National Exchange and U.S. dollar denominated; or direct interest in gas, oil or other mineral exploration or development programs and hedge funds.

### **4.3 Eligible investments**

#### 4.3.1 Eligibility criteria

- All eligible securities must carry at least one credit quality rating from Moody's, Standard & Poor's, Fitch, or DBRS. In the case of split ratings, the lower of the ratings will be considered the overall credit rating.
- The Investment Manager's responsibility for assessing the credit quality of eligible securities is ongoing on a daily basis and is not limited to credit quality at the time of purchase.
- All eligible securities must be senior notes or senior classes of the capital structure of the issuer or the senior tranche or class of the collateralized issue. Notes, tranches or classes, preferred shares and equities that are all junior to senior notes of all eligible issuers are prohibited.
- Floating rate securities have a stated final maturity of up to 5 years. Floating rate securities have interest rates linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly, semi-annually or annually are eligible investments.
- Fixed rate securities are limited to 3.5 years stated final maturity or 3.5 year weighted average life (WAL).
- All investments will be U.S. dollar-denominated.
- The funds may be invested with a moderate global focus if the securities are USD, meet the principles of the investment policy, and are eligible assets.

ESG (Environmental, Social, and Governance) In addition to financial considerations and investment criteria included in this investment policy, investment decisions should integrate

Environmental, Social, and Governance factors, as appropriate. The manager's proprietary ESG rating will be used to evaluate securities that are rated at the mid-point or higher of its ESG rating scale so that at least 80% of the investments are rated at or above the mid point of each firms' proprietary rating scale. 4.3.2 List of eligible securities

a - United States Treasury Securities

Marketable securities which are direct obligations of the U.S.A., issued by and guaranteed as to principal and interest by the U. S. Treasury and supported by the full faith and credit of the United States.

b - United States Government Agency Securities

Federal Agency Securities

Certain corporations wholly owned by the U.S. Government such as Government National Mortgage Association (GNMA) or the Small Business Association (SBA) issue debt securities that are backed by the "full faith and credit" of the U.S. Government.

c - Government Sponsored Enterprises (GSEs)

Enterprises chartered by Congress to fulfill a public purpose, but privately owned and operated are not government agencies despite government sponsorship. GSEs include, but are not limited to the Federal Farm Credit Banks (FFCBs), the Federal Home Loan Banks (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA).

d - Tri-Party Repurchase Agreements

Tri-party repurchase agreements (repos) will be transacted only with financial institutions that are rated a minimum of A3 by Moody's or A- by S&P. All transactions must be fully collateralized by U.S. Treasury, U.S. Federal Agency obligations, Government Sponsored Enterprises, money market instruments, or corporates eligible within this policy. Collateral must be market-priced greater than the invested amount on a daily basis (minimum of 102%). Up to a maximum of 10% of the portfolio may be invested with one counterparty. Transactions are limited to 15-day maturities.

e - Money Market Funds

Institutional money market funds that comply with SEC 2a-7, offer daily liquidity and do not have a fluctuating net asset value (NAV). Enhanced cash, LIBOR Plus funds that are not SEC 2a-7 compliant and whose net asset value (NAV) may fluctuate are not permissible as money market funds.

f - Money Market Instruments

Short-term obligations of financial institutions and corporations including but not limited to commercial paper, asset-backed commercial paper (ABCP), time deposits, certificates of deposit (CDs). Instruments must have a minimum short term rating of A-1 by S & P or P-1 by Moody's.

g - Corporate Debt Instruments

Unsecured promissory notes issued by corporations or financial institutions including but not

limited to Medium-Term Notes, Deposit Notes, 144(a) Securities, Eurodollar Notes and Yankee Notes and Bonds must be rated at least Baa3 by Moody's or BBB- by S&P or equivalent.

#### h - Non-US Sovereign, Supranational Organizations or International Agencies

Notes, bonds or debt instruments issued by non-U.S. sovereigns that are direct obligations of the sovereign or supported by the full faith and credit of that sovereign are eligible investments. Supranational organizations or international agencies including but not limited to World Bank (WLDB), Asian Development Bank, Inter-American Development Bank, Agency for International Development (AID) are eligible investments. All investments must have a minimum long-term debt rating of Aa3 by Moody's or AA- by S&P or equivalent. All securities must be U.S. dollar denominated.

#### i - Non-US Governmental or Federal Agencies

Senior debentures of any governmental or federal agency which obligations are guaranteed by the sovereign nation or represent the full faith and credit of the sovereignty must have a minimum rating of Aa3 by Moody's or AA- by S&P or equivalent. All securities must be U.S. dollar denominated.

#### j - Local Governments or Authorities

Debt obligations of provinces, states, municipalities or local governments guaranteed by a governmental body must have a minimum long term debt rating of Aa3 by Moody's or AA- by S&P or equivalent. All securities must be U.S. dollar denominated.

#### k - Asset-Backed Securities (ABS)

ABS are bonds, including commercial paper, backed by the monthly cash flows associated with consumer and business receivables that are packaged by a company and sold in the securities markets. Securities supported by assets, such as automobile loans, truck loans, credit card receivables, rate reduction bonds, floorplans and other loans or assets that are owned by the issuer and, usually, placed with a trustee. Assets that are second liens, home equity loans, manufactured housing with long stated final maturities and are sensitive to prepayment changes and extension risk are not eligible. Eligible securities must be senior notes, have a WAL (Weighted Average Life) of 3.5 years or less, must be rated at least Aa3 by Moody's or AA- by S & P or equivalent.

#### l - US Municipal Obligations or Local Authority

Direct obligations of or obligations fully guaranteed by a state, territory, or a possession of the United States must have a minimum rating of A3 by Moody's or A- by S&P or equivalent.

Pre-Refunded bonds or Escrowed to maturity for principal and interest by U.S. Treasury and/or U.S. Federal Agency securities are eligible investments.

Approved credit enhancements for securities when issuer's standalone credit rating is A3 by Moody's or A- by S&P or higher and subject to a 5% per issuer limit include:

- Bank Letter of Credit (LOC), irrevocable and unconditional, rated A-1 by S&P or P-1 by Moody's or equivalent. Limited to 5% of portfolio value per LOC provider.

- Insurance by any monoline insurer rated Aa3 by Moody's or AA- by S&P or equivalent. Limited to 5% of portfolio value per insurer.

## **5. COMMUNICATION**

### **5.1 Reporting requirements**

Each Investment Manager will report results to ICANN monthly. In addition to the net investment performance detailed above, written reports will include a review of the credit quality and risk characteristics of the portfolio, portfolio cash flows and a synopsis of the Investment Manager's economic and investment outlook.

ICANN will monitor the Investment Manager(s) on a continual basis for compliance with the investment guidelines, liquidity and investment risk as measured by asset concentration and market volatility.

### **5.2 Cash flow communication**

ICANN will communicate regularly as to its cash flow needs in order for the Investment Manager(s) to modify the portfolio accordingly. ICANN will be responsible for advising the Investment Manager in a timely manner of ICANN's distribution requirements from any managed portfolio or fund. The Investment Manager is responsible for providing adequate liquidity to meet such distribution requirements. ICANN's Chief Financial Officer will be responsible for communicating the cash flow requirements to the Investment Manager in a timely manner.

## **6. GOVERNANCE**

### **6.1 Responsibilities of the ICANN Board of Directors**

The Board of Directors of ICANN will direct the ICANN New gTLD and Auction Proceeds Investment Policy, including:

- Approve the New gTLD and Auction Proceeds Investment Policy and any suggested changes to it.
- Maintain and update the Investment Policy periodically (at least annually).
- Delegate to the Board Finance Committee (BFC) specific duties and responsibilities related to the monitoring of the Investment Policy, including:
  - Ensure that an adequate process of selection of external resources is in place.
  - Periodically review the compliance to the Investment policy and report to the full board the compliance with the Investment Policy.
  - Periodically reviews the performance of the invested portfolio.

## **6.2 Responsibilities of the ICANN Staff and CFO**

ICANN's CFO, with the assistance of ICANN staff, will oversee the administration of the Investment Policy, including:

- Monitors and direct all activities related to funding daily operations.
- Manages the selection process for selecting external resources
- Appoints external resources.
- Monitors the activities of the Investment Manager(s).

Periodically reports to the Board of Directors on the liquidity, performance of the Fund and compliance with the Investment Policy.

## **7. EXCEPTIONS**

Any intended exceptions to this Investment Policy by an external manager must be documented by written approval from ICANN's Chief Financial Officer prior to execution of the transaction. In the event that any unintended exceptions to this Investment Policy do occur, it will be reported to ICANN as soon as the external Investment Manager becomes aware of the violation. Actions to eliminate any unauthorized exception to this Investment Policy will be cured immediately and at the expense of the external Investment Manager. If an investment rating for a security is reduced below the minimums set by this Investment Policy, the external investment manager will contact ICANN immediately and an action plan will be agreed upon by both parties.

## **8. ACCOUNTING**

Potential investments should be analyzed in light of ICANN's tax-exempt status as a nonprofit organization. This Investment Policy permits trading securities (realizing gains/losses) by the Investment Manager within specific constraints.

All portfolio managers must notify the Chief Financial Officer immediately to obtain pre-authorization in order to realize a net loss in any given month. Any material event that affects the value of the portfolio must be reported immediately.

If the portfolio's exposure to an individual issuer is increased in excess of 5% due to an unexpected cash withdrawal, the portfolio manager will contact the Chief Financial Officer within 48 hours to continue to hold the bonds or will have the discretion to sell bonds to reduce the exposure to below 5%.

For investment accounting purposes the portfolios will be subject to Statement of Financial Accounting Standards Board Statement No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations."

## APPENDIX ELIGIBLE INVESTMENTS AND CREDIT QUALITY

All eligible securities must carry at least one credit quality rating from Moody's, Standard & Poor's, Fitch, or DBRS. In the case of split ratings, the lower of the ratings will be considered the overall credit rating. The Investment Manager's responsibility for assessing the credit quality of eligible securities is ongoing on a daily basis and is not limited to credit quality at the time of purchase.

### Senior Securities

All eligible securities must be senior notes or senior classes of the capital structure of the issuer or the senior tranche or class of the collateralized issue. Notes, tranches or classes, preferred shares and equities that are all junior to senior notes of all eligible issuers are prohibited.

### Floating Rate Securities

Floating rate securities whose interest rates are linked to a well-recognized money market index such as the Treasury Bill, SOFR, LIBOR or Federal Funds with coupon resets daily, weekly, monthly, quarterly semi-annually or annually are eligible investments. Stated final maturities permissible up to 5 years.

### Fixed Rate Securities

Fixed rate securities are limited to 3.5 years stated final maturity or 3.5 year weighted average life (WAL).

### Issuer Exposure

Per Issuer	5% of portfolio per issuer; no per issuer limit for U.S. Treasury and Federal Agency Securities
Per Repurchase Agreement	10% maximum per counterparty
Per ABS, MBS, CMBS, CMO trust issue	5% of the portfolio per trust, different collateral, different CUSIP
Money Market Funds	5% of specific money fund's assets
Per GSE Debenture Issuer	20%

<b>US Treasury Securities</b>	NA		100%
<b>US Government Agency Securities</b>	NA		100%

<b>Federal Agency Securities</b>			
<b>US Government Sponsored Enterprises (GSEs)</b>	NA	20% per issuer	100%
<b>Tri-Party Repurchase Agreements</b>	Counterparty rated A3/A-	102% collateral; 15 days; 10% per counterparty	20%
<b>SEC 2a-7 Money Market Funds</b>	NA	5% of money fund's assets	25%
<b>Money Market Instruments (CP, ABCP, CD)</b>	A-1/P-1		50%
<b>Corporate Debt Instruments (MTN, 144a, notes, bonds)</b>	Baa3/BBB-		45% >A rated 15% BBB rated
<b>Non-US Sovereign Supranational Organizations International Agencies</b>	Aa3/AA-	U.S. dollar denominated	40%
<b>Non-US Governmental Agencies Federal Agencies</b>	Aa3/AA-	U.S. dollar denominated	30%
<b>Non-US Governmental or Federal Agencies</b>	Aa3/AA-	U.S. dollar denominated	30%
<b>Local Governments or Authorities</b>	Aa3/AA-	U.S. dollar denominated	25%
<b>Asset-Backed Securities (ABS)</b>	Aa3/AA-	Assets that are second liens, home equity loans, manufactured housing with long stated final maturities or extension risk are excluded.	15%
<b>US Municipal Obligations Local Authority</b>	A3/A-		15%
<b>Credit Enhancements</b>  - Bank Letter of Credit (LOC), Irrevocable and	A-1/P-1  Aa1/AA+	5% per issuer limit - Irrevocable and unconditional LOC, 5% of portfolio per LOC or liquidity provider. - 5% of portfolio per insurer	

unconditional - Monoline insurance			
<b>Currencies</b>		- All eligible investments will be U.S. dollar-denominated.	
<b>Average Portfolio Quality</b>	A3/A-		
<b>Average Portfolio Duration</b>		To be determined.	

### ESG (Environmental, Social, and Governance)

In addition to financial considerations and investment criteria included in this investment policy, investment decisions should integrate Environmental, Social, and Governance factors, as appropriate. The manager's proprietary ESG rating will be used to evaluate securities that are rated at the mid-point or higher of its ESG rating scale so that at least 80% of the investments are rated at the mid point or above of the firms' scale.

**ICANN BOARD PAPER NO. 2019-11-07-1i**

**TITLE:** **Appointment of Board Designee to the Third Accountability and Transparency Review Team**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

Under Section 4.6 of the Bylaws, the Board may appoint a Director or Liaison to serve as a member of the third Accountability and Transparency Review Team (ATRT3). In October 2018, the Board appointed Maarten Botterman to serve on ATRT3. With Maarten becoming Board Chair after the November 2019 Annual Meeting, the BGC has recommended that the Board appoint León Sanchez as the new Board-appointed member of ATRT3.

**BOARD GOVERNANCE COMMITTEE (BGC) RECOMMENDATION:**

The BGC recommends that the Board appoint León Sanchez to serve as the Board appointed member of the third Accountability and Transparency Review Team.

**PROPOSED RESOLUTION:**

Whereas, under Section 4.6 of the Bylaws, the Board may appoint a Director or Liaison to serve as a member of the Accountability and Transparency Review Team.

Whereas, in October 2018, the Board appointed Maarten Botterman to serve as a member of the third Accountability and Transparency Review Team (ATRT3).

Whereas, since Maarten Botterman has been identified by the Board to serve as its new Chair beginning after the Annual Meeting in November 2019, the Board has identified León Sanchez to replace Maarten Botterman as the Board appointed member of ATRT3.

Whereas, the Board Governance Committee has recommended that the Board appoint Leon Sanchez as the Board appointed member of ATRT3.

Resolved (2019.11.07.xx), the Board hereby appoints León Sanchez to serve as the Board appointed member of ATRT3.

**PROPOSED RATIONALE:**

The third Accountability and Transparency Review is currently underway. Under Section 4.6 of the Bylaws, the Board may appoint a Director or Liaison to serve as a member of the third Accountability and Transparency Review Team (ATRT3).

In October 2018, the Board appointed Maarten Botterman to serve as a member of this this important review team.

Since Maarten Botterman has been identified by the Board to serve as its new Chair beginning immediately after the Annual Meeting in November 2019, the Board Governance Committee (BGC) Board has recommended that León Sanchez replace Maarten Botterman as the Board appointed member of ATRT3. The Board agrees.

This Board action will not have any fiscal impact on ICANN that was not already contemplated and will not have a direct effect on security, stability or resiliency of the domain name system.

The Board's action is consistent with ICANN's Mission to maintain and improve robust mechanisms for public input, accountability, and transparency so as to ensure that the outcomes of its decision-making reflect the public interest and that ICANN is accountable to all stakeholders. This action will serve the public interest by fulfilling ICANN's commitment to maintaining and improving its accountability and transparency and ensuring the Board also has input into this important review through its appointed member in accordance with the Bylaws.

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

Submitted By:  
Date Noted:  
Email:

Amy A. Stathos, Deputy General Counsel  
22 October 2019  
amy.stathos@icann.org

## ICANN BOARD PAPER NO. 2019.11.07.1j

**TITLE:** Request to Continue Deferred Compliance Enforcement of Thick WHOIS Transition Policy for .com, .net, and .jobs

**PROPOSED ACTION:** For Board Consideration and Approval

### EXECUTIVE SUMMARY:

The Board is being asked to authorize the ICANN org President and CEO to continue to defer compliance enforcement of the [Thick WHOIS Transition Policy](#) until all of the following have occurred:

- the gTLD Registration Data Policy Implementation Review Team (IRT) completes its review and establishes an implementation timeline estimate of the Expedited Policy Development Process (EPDP) Team's [recommendations](#) as [adopted](#) by the ICANN Board on 15 May 2019;
- ICANN org and the IRT provide the Generic Names Supporting Organization (GNSO) Council with the required information on the impacts of the EPDP Team's recommendations on the Thick WHOIS Transition policy, and
- the GNSO Council makes a determination on whether to take action on the Thick WHOIS Transition Policy and any relevant policies and procedures (which could include additional policy work, guidance, or other actions to be determined) impacting the Thick WHOIS Transition Policy.

Following the completion of the conditions above, ICANN org will provide an update to the Board on proposed next steps.

As outlined in the ICANN Board [actions](#) on the EPDP recommendations, the EPDP Final Report does not repeal or overturn existing Consensus Policy including, in this case, the Thick WHOIS Transition Policy. Consistent with Recommendation 27, the Board directed ICANN Org to work with the IRT to examine and transparently report on the extent to which these recommendations require modification of existing Consensus Policies. Where modification of existing Consensus Policies is required, the ICANN Board will call upon the GNSO Council to review the recommendations and make decisions on how to proceed. This may include initiating a Policy

Development Process (PDP) to review and recommend required changes to Consensus Policies.

On 27 August 2019, the ICANN Board [wrote](#) to the GNSO Council seeking the Council's views as to whether the ICANN Board should grant an additional deferral of compliance enforcement for the Thick WHOIS Transition Policy in consideration of the ongoing work from the GNSO Council and the Registration Data Policy IRT and the potential impact on other, relevant ICANN consensus policies, including the Thick WHOIS Transition Policy. On 20 September 2019, the GNSO Council [responded](#) to the ICANN Board indicating the Council's intent to review the existing policies and procedures listed in the EPDP Team's recommendations, specifically Recommendation #27, which includes the Thick WHOIS Transition Policy, to begin the process of updating those policies and procedures to be consistent with the EPDP Team's recommendations. The Council indicated it expects the timeline to review the impacted policies and procedures will extend beyond the current Thick WHOIS Transition Policy milestones and the Council acknowledged the request to extend originated from a contracted party. As such, the Council indicated that it is not within the Council's purview to make the determination of whether or not to grant the deferral.

The Thick WHOIS Transition Policy specifies a phased approach to transition the top-level domain (TLD) registries for .com, .net, and .jobs<sup>1</sup> from "Thin" to "Thick" TLDs in three phases:

1. Registry operator (RO) to begin accepting "Thick" registration data from registrars,
2. New domain name registrations to be created as "Thick" data registrations, and
3. The complete migration of all existing domain registration data from "Thin" to "Thick" one year following the date the RO begins accepting "Thick" registration data from registrars.

Under the current Thick WHOIS Transition Policy implementation timeline, the registry operators for .com, .net, and .jobs must begin voluntarily accepting "Thick" registration data by 30 November 2019.

---

<sup>1</sup> The registry operator for .jobs, Employ Media, did not require changes to its Registry-Registrar Agreement to begin accepting "Thick" registration data and registrars have already completed the transition to "Thick" registration data for .jobs registrations as per the policy.

Deferring enforcement would also address the primary obstacle for the contracted parties completing their implementations required by the Thick WHOIS Transition Policy, which has been defining appropriate roles, responsibilities and data protection terms in the relevant Registry-Registrar Agreements (RRA) to enable the transfer of the registration data. As part of the implementation of the gTLD Registration Data Policy, ICANN org and the contracted parties are expected to enter into the necessary data protection arrangements for handling of registration data. It is anticipated that this effort will be foundational for reaching agreeable terms in the respective RRAs for .com and .net.

#### **ICANN ORGANIZATION RECOMMENDATION:**

ICANN org recommends that the Board authorize the President and CEO to defer compliance enforcement of the Thick WHOIS Transition Policy until all of the following have occurred:

- the gTLD Registration Data Policy Implementation Review Team (IRT) completes its review and establishes an implementation timeline estimate of the Expedited Policy Development Process (EPDP) Team's [recommendations](#) as [adopted](#) by the ICANN Board on 15 May 2019;
- ICANN org and the IRT provide the Generic Names Supporting Organization (GNSO) Council with the required information on the impacts of the EPDP Team's recommendations on existing policies and procedures (including the Thick WHOIS Transition policy), and
- the GNSO Council makes a determination on whether to take action on updates to the Thick WHOIS Transition Policy and any relevant policies and procedures (which could include additional policy work, guidance, or other actions to be determined) impacting the Thick WHOIS Transition Policy.

#### **PROPOSED RESOLUTION:**

Whereas, the ICANN Board of Directors adopted consensus policy recommendations of the GNSO Thick WHOIS Working Group regarding the use of Thick WHOIS by all gTLD registries on 7 February 2014, after the recommendations were approved by the GNSO Council. Recommendation #1 states that "The provision of Thick WHOIS services, with a consistent labeling and display as per the model outlined in specification 3 of the 2013 [Registrar Accreditation Agreement], should

become a requirement for all gTLD registries, both existing and future."

Whereas, the Thick WHOIS Transition Policy requires the respective registry operator for .com and .net, Verisign, and .jobs, Employ Media, to begin accepting "Thick" registration data from registrars for .com, .net, and .jobs names starting 30 November 2019, that all new domain name registrations be submitted to the registry as "Thick" by 31 May 2020, and all relevant registration data for existing domain names must be migrated from "Thin" to "Thick" by 30 November 2020.

Whereas, in preparation to complete the deployment to accept "Thick" registration data, Verisign proposed amendments to the Registry-Registrar Agreements for .com and .net.

Whereas, the Registrars Stakeholder Group expressed concerns about Verisign's proposed Registry-Registrar Agreement amendments based on issues relating to the European Union's General Data Protection Regulation, the processing of data, and new requirements and obligations imposed on the registrars.

Whereas, ICANN org has facilitated discussions between Verisign and the Registrars Stakeholder Group to reach agreement on the proposed amendments to the Registry-Registrar Agreements to implement the Thick WHOIS Transition Policy.

Whereas, Verisign and the Registrars Stakeholder Group are at an impasse and need additional time to reach agreement on the proposed amendments to the applicable Registry-Registrar Agreements to implement the Thick WHOIS Transition Policy.

Whereas, on 29 July 2019 Verisign, the registry operator for .com and .net, requested that ICANN org extend all compliance enforcement dates in the implementation plan for the Thick WHOIS Transition Policy by one year to coincide with the timeframe for the community to finalize a consensus policy to replace the Temporary Specification for gTLD Registration Data and for any corresponding implementation review and contractual modifications resulting from that Consensus Policy to be completed.

Whereas, on 27 August 2019, the ICANN Board sent a [letter](#) to the Generic Names Supporting

Organization (GNSO) Council requesting the GNSO Council provide its views on whether the ICANN Board should grant an additional deferral of compliance enforcement for the Thick WHOIS Transition Policy in consideration of the ongoing work by the Expedited Policy Development Process Team, the GNSO, and the gTLD Registration Data Policy Implementation Review Team.

Whereas, on 20 September 2019, the GNSO Council [replied](#) to the ICANN Board acknowledging the Council is still in the process of developing a work plan to address the impacted policies and procedures and it is clear that the work by the gTLD Registration Data Policy Implementation Review Team and the Council will extend beyond the current transition milestones for the Thick WHOIS Transition Policy.

Whereas, the deferred enforcement period will allow ICANN org and the community time to complete the gTLD Registration Data Policy, based on the Expedited Policy Development Process (EPDP) Team's recommendations adopted by the ICANN Board on 15 May 2019 and to consider its potential impact on other, relevant ICANN consensus policies, including the Thick WHOIS Transition Policy.

Whereas, the deferred enforcement period will allow the contracted parties time to implement any changes to the Thick WHOIS Transition Policy to account for the potential impact of the gTLD Registration Data Policy.

Whereas, the deferred enforcement period will allow the contracted parties time to complete the necessary Registry-Registrar Agreements based on the outcomes in the forthcoming gTLD Registration Data Policy and review by the Generic Names Supporting Organization Council.

Resolved (2019.11.07.xx), the President and CEO, or his designee(s), is authorized to defer compliance enforcement of the Thick WHOIS Transition Policy until all of the following have occurred:

- the gTLD Registration Data Policy Implementation Review Team (IRT) completes its review and establishes an implementation timeline estimate of the Expedited Policy Development Process (EPDP) Team's [recommendations](#) as [adopted](#) by the ICANN Board on 15 May 2019;
- ICANN org and the IRT provide the GNSO Council with the required information on the impacts of the EPDP Team's recommendations on existing policies and procedures

(including the Thick WHOIS Transition policy), and

- the GNSO Council makes a determination on whether to take action on updates to relevant policies and procedures (which could include additional policy work, guidance, or other actions to be determined) impacting the Thick WHOIS Transition Policy.

## **PROPOSED RATIONALE:**

This would be the fifth deferral of the compliance enforcement of the Thick WHOIS Transition Policy. In March 2017, as part of its preparations to implement the Thick WHOIS Transition Policy, Verisign submitted its initial proposed Registry-Registrar Agreement (RRA) amendments for .com and .net to ICANN org for approval. Verisign [stated](#) that changes to the proposed amendments to the RRAs are required to have the legal framework necessary for acceptance of the registration data from registrars. The Registrars Stakeholder Group (RrSG) expressed concerns about agreeing to Verisign’s proposed RRA amendments based on issues relating to the European Union’s General Data Protection Regulation (GDPR), which was set to take effect on 25 May 2018. ICANN org followed the established [RRA amendment procedure](#) and consulted with Verisign and the RrSG to resolve the concerns. Following several discussions with all parties and without finding a resolution to the concerns raised, the RrSG [wrote](#) to ICANN org in August 2017 requesting an extension to the Thick WHOIS Transition Policy effective dates. On 27 October 2017, the ICANN Board passed a [resolution](#) to defer contractual compliance enforcement of the Thick WHOIS transition for 180 days and to provide Verisign, ICANN org, and the RrSG with more time to continue discussions in hopes of achieving a resolution on the proposed RRA amendments.

On 13 April 2018, Verisign again [wrote](#) to ICANN org requesting an additional extension to the Thick WHOIS Transition Policy effective dates, stating that adhering to the implementation deadline for Thick WHOIS would not be “prudent as it would add complexity and risk to the community’s work when the uncertainty about the collection, transfer, and data processing of WHOIS data is at its peak.” On 13 May 2018, the Board passed the [resolution](#) to defer compliance enforcement of the Thick WHOIS Transition Policy by an additional 180 days to allow ICANN org to continue to work with the relevant European authorities and the ICANN community to develop an interim model to understand and manage the complexity and risk of

GDPR while adhering to the Thick WHOIS Transition Policy.

On 17 May 2018, the ICANN Board adopted the proposed [Temporary Specification for gTLD Registration Data](#) as an interim measure to bring existing WHOIS obligations in line with requirements of GDPR. This also triggered the GNSO Council to undertake an expedited policy development process. The Expedited Policy Development Process (EPDP) Team was tasked with completing its work within 12 months of the implementation of the Temporary Specification, or May 2019.

On 27 August 2018, Verisign submitted revised proposed amendments to the .com and .net RRAs. Verisign's revised proposed RRA amendments were intended to address the upcoming implementation of the Thick WHOIS Transition Policy and the requirements contained within ICANN's Temporary Specification for gTLD Registration Data. ICANN org again followed the established procedure for considering the proposed amendments, including a review by the RrSG.

Verisign [wrote](#) to ICANN org on 21 September 2018 requesting an additional 12-month extension of the compliance enforcement dates for the Thick WHOIS Transition Policy. Verisign based its request on the ongoing work of the EPDP Team to formulate a consensus policy for registration data, adhering to the implementation deadlines for the Thick WHOIS Transition Policy and migrating massive amounts of registration data associated with .com and .net before a permanent solution is in place would create significant complexity and risk. On 25 October 2018, the Board passed the [resolution](#) to defer the compliance enforcement of the Thick WHOIS Transition Policy by an additional 180 days.

On 22 February 2019, Verisign again [wrote](#) to ICANN org requesting that ICANN org extend all compliance enforcement dates in the Thick WHOIS Transition Policy implementation plan by one year to coincide with the timeframe for the community to finalize a consensus policy to replace the Temporary Specification for gTLD Registration Data and for any corresponding implementation review and contractual modifications resulting from that consensus policy to be completed. On 4 March 2019, the GNSO Council voted to approve all of the policy recommendations in the EPDP Team's Final Report on the Temporary Specification for gTLD Registration Data. On 14 March 2019, the Board passed the [resolution](#) to defer the compliance enforcement of the Thick WHOIS

Transition Policy transition dates by an additional 180 days. On 15 May 2019, the ICANN Board [adopted](#) the GNSO Council Policy Recommendations for a new consensus policy on gTLD Registration Data as set forth in section 5 of the EPDP Final Report in accordance with Sections A and B of the report's attached scorecard titled "Scorecard: EPDP Phase 1 Recommendations."

On 29 July 2019, Verisign again [wrote](#) to ICANN org requesting that ICANN org extend all compliance enforcement dates in the implementation plan for the Thick WHOIS Transition Policy by one year to coincide with the timeframe for the community to finalize a Consensus Policy to replace the Temporary Specification for gTLD Registration Data and for any corresponding implementation review and contractual modifications resulting from that Consensus Policy to be completed.

On 27 August 2019, the ICANN Board wrote to the GNSO Council seeking the Council's views as to whether the ICANN Board should grant an additional deferral of compliance enforcement for the Thick WHOIS Transition Policy in consideration of the ongoing work from the GNSO Council and the Registration Data Policy IRT to review the EPDP Team's recommendations and consider the new policy's potential impact on other, relevant ICANN consensus policies, including the Thick WHOIS Transition Policy. On 20 September 2019, the GNSO Council responded to the ICANN Board indicating the Council's intent to review the existing policies and procedures listed in the EPDP Team's recommendations, specifically Recommendation #27, which includes the Thick WHOIS Transition Policy, to begin the process of updating those policies and procedures to be consistent with the EPDP Team's recommendations. The Council indicated it expects the timeline to review the impacted policies and procedures will extend beyond the current Thick WHOIS Transition Policy milestones and the Council acknowledged the request to extend originated from a contracted party. As such, it is not within the Council's purview to make the determination of whether or not to grant the deferral.

The additional time will allow ICANN org and the community time to complete drafting of the gTLD Registration Data Policy based on the EPDP Team's recommendations as adopted by the ICANN Board on 15 May 2019 and to consider its potential impact on other, relevant ICANN consensus policies, including the Thick WHOIS Transition Policy. Following completion of the

GNSO Council taking action on updates to relevant policies and procedures, which may include additional policy work, guidance, or other actions to be determined, inclusive of potential impacts to the Thick WHOIS Transition Policy, the contracted parties will need time to complete the necessary Registry-Registrar Agreements and to implement any changes to account for the potential impact of the gTLD Registration Data Policy on the Thick WHOIS Transition Policy.

The table below details the history of the ICANN Board Resolutions and policy implementation dates.

**Implementation Dates per the Thick WHOIS Transition Policy**

	<b>Milestone Description</b>	<b>RO must deploy an EPP and bulk transfer mechanism for registrars to begin migrating registration data</b>	<b>All New Registrations must be “Thick”</b>	<b>Completion of Transition for Existing Registrations</b>
5	<b>Proposed Timeline October 2019 Board Resolution</b>	<i>TBD upon completion of Recommendation #27 review and subsequent actions from the review</i>		
4	<a href="#"><u>March 2019 Board Resolution</u></a>	30-Nov-19	31-May-20	30-Nov-20
3	<a href="#"><u>October 2018 Board Resolution</u></a>	31-May-19	30-Nov-19	31-May-20
2	<a href="#"><u>May 2018 Board Resolution</u></a>	30-Nov-18	30-Apr-19	31-Jan-20
1	<a href="#"><u>October 2017 Board Resolution</u></a>	28-May-18	28-Oct-18	31-Jul-19
	<a href="#"><u>Original Consensus Policy Dates</u></a>	1-Aug-17	1-May-18	1-Feb-19

The Board is taking action at this time to authorize the ICANN org President and CEO to defer compliance enforcement of the Thick WHOIS Transition Policy until all of the following have occurred:

- the gTLD Registration Data Policy Implementation Review Team (IRT) completes its review and establishes an implementation timeline estimate of the Expedited Policy

Development Process (EPDP) Team's [recommendations](#) as [adopted](#) by the ICANN Board on 15 May 2019;

- ICANN org and the IRT provide the GNSO Council with the required information on the impacts of the EPDP Team's recommendations on existing policies and procedures (including the Thick WHOIS Transition policy), and
- the GNSO Council takes action on updates to relevant policies and procedures (which could include additional policy work, guidance, or other actions to be determined) impacting the Thick WHOIS Transition Policy.

To the extent it makes sense to do so in light of the GNSO Council's work, the completion of the gTLD Registration Data Policy, ICANN org will continue to work with Verisign and the Registrars Stakeholder Group to facilitate discussions on the proposed RRA amendments.

The Board's deliberations on this matter referenced several significant materials including:

- [ICANN Board of Directors adopted consensus policy recommendations of the GNSO Thick WHOIS Working Group regarding the use of Thick WHOIS by all gTLD registries on 7 February 2014](#)
- [Thick WHOIS Transition Policy for .com, .net, and .jobs](#)
- [Registry Registration Data Directory Services Consistent Labeling and Display Policy](#)
- [PDP Documentation](#)
- [PDP WG Final Report](#)
- [Thick WHOIS Implementation](#)
- [IRT letter to GNSO regarding implications GDPR to implement Thick WHOIS](#)
- [Public Comment period on Consistent Labeling and Display implementation proposal](#)
- [Public Comment period on Transition from Thin too Thick for .com, .net and .jobs](#)
- [Letter from Patrick Kane to Akram Atallah re: Thick WHOIS for .com and .net – 20 June 2017](#)
- [Letter from Akram Atallah to Patrick Kane re: Thick WHOIS for .com and .net –29 June 2017](#)
- [Letter from Graeme Bunton to Akram Atallah re: Extension Request for Thick WHOIS Migration – 17 August 2017](#)

- [27 October 2017 Board Resolution to Defer Compliance Enforcement of Thick WHOIS Consensus Policy for 180 Days](#)
- [Letter from Patrick Kane to Akram Atallah requesting an extension of the implementation deadlines under the Thick WHOIS Consensus Policy](#)
- [13 May 2018 Board Resolution to Defer Compliance Enforcement of Thick WHOIS Consensus Policy for 180 Days](#)
- [Letter from Patrick Kane to Akram Atallah re: Extension request for Thick WHOIS Migration – 21 September 2018](#)
- [20 February 2019: Final Report of the Temporary Specification for gTLD Registration Data Expedited Policy Development Process from GNSO](#)
- [Letter from Patrick Kane to Cyrus Namazi re: Extension request for Thick WHOIS Implementation – 22 February 2019](#)
- [14 March 2019 Board Resolution to Defer Compliance Enforcement of Thick WHOIS Consensus Policy for 180 Days](#)
- [Generic Names Supporting Organization Council Adopts EPDP Final Report on the Temporary Specification for gTLD Registration Data](#)
- [ICANN Board Consideration of GNSO EPDP Recommendations on the Temporary Specification for gTLD Registration Data](#)
- [Letter from Patrick Kane to Cyrus Namazi re: Extension request for Thick WHOIS Implementation - 29 July 2019.](#)
- [Letter from the ICANN Board to the GNSO Council - 27 August 2019](#)
- [Letter from the GNSO Council to the ICANN Board - 20 September 2019](#)

The Board's action is not anticipated to have a fiscal impact on ICANN org that is not already anticipated in the current budget. This resolution is an organizational administrative function for which no public comment is required. This action is in the public interest as it helps to ensure a consistent and coordinated implementation of policies in gTLDs.

**Signature Block:**

Submitted by: Cyrus Namazi  
 Position: Sr. Vice President, Global Domains Division  
 Date Noted: 18 October 2019  
 Email: [cyrus.namazi@icann.org](mailto:cyrus.namazi@icann.org)

**ICANN BOARD PAPER NO. 2019.11.07.1k**

**TITLE:** **Additional Funding FOR SSR2**

**PROPOSED ACTION:** **For Board Approval**

**EXECUTIVE SUMMARY:**

The second Security, Stability and Resiliency Review (SSR2) started in March 2017. It was paused at the request of the Board in October 2017 and resumed its work in June 2018. At inception, SSR2 was budgeted to cost approximately US\$550,000, mostly to cover face-to-face meetings and professional services. In part due to the period of pause, and considering its work plan through completion, the SSR2 leadership is expecting that more time and support will be needed and has requested additional resources equivalent to US\$250,000. Approximately US\$570,000 has been spent or committed to-date.

While the financial support for reviews is not normally the subject of separate Board approval outside of the annual budget approval process, due to the extension of the timeline for SSR2 completion, funding for the correlative additional expected expenses is being brought to the Board for approval. Specifically, the Board is being asked to approve additional funding of US\$250,000 for SSR2, bringing the total expected spend to US\$800,000. See Reference Materials to this Board Paper for the Financial Schedule through the anticipated SSR2 completion.

**BOARD FINANCE COMMITTEE (BFC) RECOMMENDATION:**

The BFC recommend that the Board approve additional funding for SSR2 in an amount not to exceed US\$250,000.

**PROPOSED RESOLUTION:**

Whereas, the work of the SSR2 has encountered delays.

Whereas, the funds originally budgeted to support SSR2 are insufficient to complete the work plan as prepared by review team.

Whereas, the Board is fully committed to ensuring that all Bylaws-mandated reviews, including SSR2, are carried out appropriately and completely.

Whereas, the Board desires to emphasize, as per its duty of care, that ICANN's resources need to be utilized with fiscal prudence and responsibility and requests the SSR2 team to work diligently according to its revised workplan and timeline so that the additional resources requested are sufficient to complete its work.

Whereas, the Board Finance Committee has confirmed the affordability of the additional funding suggested necessary to complete SSR2 and has recommended that the Board approve the additional funding.

Resolved (2019.11.07.xx), the Board approves additional funding for SSR2 by US\$250,000 and directs the President and CEO, or his designee(s), to provide the corresponding support necessary.

**PROPOSED RATIONALE:**

The performance and completion of reviews is supported by ICANN org through the support of the review teams work from the inception of the review to Board action following submission of the recommendations by the review team.

SSR2 started its work in September 2017 and has consumed the original amount of funds budgeted for its work. As the workplan established by the review team requires more work and time, more expenses are expected and additional funding is required.

The funding of reviews is included in the annual operating plan and budget as a matter of course, with standard amounts developed on the basis of historical experience. The annual operating plan and budget is subject to public comment, board adoption, and Empowered Community rejection power.

Additional funding of SSR2, beyond the original amount approved through the annual operating plan and budget process, was submitted for Board approval following a Board Finance Committee (BFC) recommendation. The Board also notes that the Board Caucus

for SSR2 also met with the BFC and is in support of the BFC's recommendation. The Board agrees.

The decision is expected to be in the public interest in that it allows for the completion of a Bylaws-mandated activity, which purpose is to contribute to ICANN's ability to fulfill its mission to maintain the security, stability and resiliency of the domain name system. This action is expected to have a fiscal impact, and a positive impact on the security, stability and resiliency of the domain name system.

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

Submitted by:	Xavier Calvez, CFO & SVP
Date Noted:	23 October 2019
Email:	Xavier.calvez@icann.org

**SSR2 Review  
Statement of Activity**

**Amounts in USD**

<b>Project View</b>						
	<b>Approved Review Budget</b>	<b>Total Project Spend to date</b>	<b>Remaining Funds</b>	<b>Additional Budget Requested</b>	<b>Projected Remaining Costs</b>	<b>Total Review Projected Costs</b>
<b>Travel &amp; Meetings</b>	300	370	(70)	140	140	510
<b>Professional Services</b>	200	60	140	110	180	240
<b>ICANN Org Support</b>	50	50				50
	<b>\$ 550</b>	<b>\$ 480</b>	<b>\$ 70</b>	<b>\$ 250</b>	<b>\$ 320</b>	<b>\$ 800</b>

**Notes**

The SSR2 Review budget currently has \$70K remaining to spend.

The team expects to spend this \$70K and is seeking approval for another \$250K of budget.

The additional budget will be allocated to: 4 face to face meetings \$140K and a Policy Research Contractor \$90K

**In Summary, the team projects to spend another \$320K which would exceed the review budget by \$250K.**

**ICANN BOARD OF DIRECTORS  
SUBMISSION NO. 2019.11.07.11**

**TITLE:** **Revising the Address Supporting Organization Memorandum of Understanding**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

ICANN and the Address Supporting Organization (ASO) maintain a Memorandum of Understanding (MoU) to define the roles, responsibilities, and mechanisms through which the two entities interact. The MoU has not been changed since 2004. The ASO recently completed an organizational review convened in 2017 under Section 4.4 of the ICANN Bylaws, through processes agreed between ICANN and the ASO.

Recommendations 2 and 4 called for revisions to the ASO MoU to reflect editorial changes related to references to the ICANN Bylaws, the inclusion of the African Network Information Centre as a signatory, and the removal of Attachment B. The ASO developed proposed revisions to the MoU for the consideration of ICANN. Following the acceptance of this MoU, the ICANN Bylaws will also need to be amended to reflect the revised MoU, but as there are additional Bylaws changes that are needed to address the other recommendations arising out of the organizational review, that amendment work should be consolidated.

**[PROPOSED] ORGANIZATIONAL EFFECTIVENESS COMMITTEE**

**RECOMMENDATION:**

The OEC recommends that the Board direct the ICANN President and CEO to enter into the updated MoU with the ASO. The OEC also recommends that the Board direct

the ICANN President and CEO to coordinate with the ASO on all necessary proposals for Bylaws changes arising out of the ASO organizational review.

**PROPOSED RESOLUTION:**

Whereas, Section 9.1 of the ICANN Bylaws establish the Address Supporting Organization (ASO) to advise the ICANN Board with respect to policy issues relating to the operation, assignment, and management of Internet addresses.

Whereas, the Memorandum of Understanding (MoU) entered on 21 October 2004 between ICANN and the Number Resource Organization (NRO) establishes that the NRO shall fulfill the role, responsibilities, and functions of the ASO.

Whereas, Section 4.4 of the ICANN Bylaws calls for “periodic review of the performance and operation of each Supporting Organization ... by an entity or entities independent of the organization under review.”

Whereas, the MoU stipulates that the “NRO shall provide its own review mechanisms” and in 2017 the NRO engaged ITEMS International to conduct the second organizational review of the ASO.

Whereas, ITEMS International completed the second organizational review of the ASO in 2018 and made 18 recommendations to the NRO.

Whereas, Recommendations 2 and 4 called for revisions to the ASO MoU to reflect editorial changes related to references to the ICANN Bylaws, the inclusion of the African Network Information Centre as a signatory, and the removal of Attachment B.

Whereas, the ASO developed proposed revisions to the MoU for ICANN's consideration.

Whereas, the ICANN Board, through its Organizational Effectiveness Committee, reviewed the proposed revisions.

Whereas, the ICANN Bylaws, at Section 9.1(b), defines the ASO entity as that described in the 2004 MoU, and this section needs to be updated.

Whereas, there are additional Bylaws changes anticipated as a result of the implementation of the recommendations from the ASO organizational review.

Resolved (2019.11.07.XX), the ICANN Board directs the ICANN President and CEO, or his designee, to enter into the updated MoU with the NRO.

Resolved (2019.11.xx.xx), the ICANN Board directs the ICANN President and CEO, or his designee, to coordinate with the ASO to develop a proposed set of Bylaws changes as anticipated to implement the recommendations from the organizational review.

**PROPOSED RATIONALE:**

The Board's acceptance of the updating of ICANN's MoU with the NRO is a necessary step in recognizing the evolution of its relationship with the NRO and the ASO, and in implementing the recommendations arising out of the most recent organizational review of the ASO, conducted pursuant to Section 4.4 of the ICANN Bylaws.

The proposed revisions to the MoU address multiple of the recommendations from the organizational review (<https://www.nro.net/accountability/aso-and-icann-accountability/independent-aso-reviews/aso-review-2017/>):

- Recommendation 5, “Upon completion of every independent review of the ASO, the NRO and ICANN should initiate discussions, as per Article 9 of the MoU, to examine results and consequences of their cooperation. The parties should determine if the ASO has a continuing purpose within the ICANN structure, and re-evaluate the MoU accordingly.”
- Recommendation 2: “The NRO should consider updating the ASO MoU to reflect the fact that the appropriate section of the New ICANN Bylaws regarding Organizational Reviews is Section 4.4 (previously Article IV, Section 4).”
- Recommendation 4: “The signatories of the ASO MoU should consider updates to the MoU including i) the addition of AFRINIC as a signatory, ii) the removal of Appendix B.”
- Part iii of Recommendation 4: “updates in connection with the responsibilities of the ASO as a Decisional Participant in the ICANN Empowered Community”
- Recommendation 13: "The ASO MoU should be updated to reflect the new reality of the Empowered Community and specify that the roles and responsibilities within the ASO must be clearly defined”

While Recommendations 4 and 13 were not fully accepted by the NRO, as the NRO was concerned about duplication of the ICANN Bylaws, the MoU is updated to reflect

the new powers that the ASO holds as part of the Empowered Community as it relates to the selection and removal of ICANN Board directors, as the MoU already addressed the Board selection role.

There will be additional areas where the ICANN Board will be asked to take decisions on items arising out of the ASO organizational review, particularly regarding amendments to the ICANN Bylaws. One of those amendments is expected to be an updating of the reference to the 2004 MoU that is currently within the Bylaws. The Board looks forward to receiving a unified package of all proposed Bylaws amendments needed to implement the recommendations from the organizational review.

This action is not anticipated to have any fiscal impact or any impact on the security, stability or resiliency of the Internet's DNS. This action is within the mission of ICANN and serves the public interest as it supports ICANN's identified role in the coordination of the allocation and assignment of IP numbers and facilitation of development of global number registry policies.

This is an organizational administrative function for which public comment is not required.

Submitted by:	Avri Doria
Position:	Chair, ICANN Board Organizational Effectiveness Committee
Date Noted:	31 October 2019
Email and Phone Number	<a href="mailto:avri.doria@board.icann.org">avri.doria@board.icann.org</a>

October 2019

## ICANN Address Supporting Organization (ASO) MoU

### 1. Organization

Under this agreement between ICANN and the Number Resource Organization (NRO), the NRO shall fulfill the role, responsibilities and functions of the ASO as defined within the ICANN Bylaws as referenced at [Article 9 \[ICANN-BYLAWS\]](#).

### 2. Purpose

This MoU is established for the purposes of:

- o defining roles and processes supporting global policy development, including the relationship between the Internet addressing community (represented by the NRO) and ICANN within the operation of this process;
- o defining mechanisms for the provision of recommendations to the Board of ICANN concerning the recognition of new RIRs; and
  - defining accessible, open, transparent and documented procedures for the selection of individuals to serve on other ICANN bodies, including selection of Directors of ICANN and selection of members of various standing committees and ad hoc ICANN bodies.

### 3. Address Supporting Organization

In fulfilling the role, responsibilities and functions of the ASO, the NRO may act through one or more of its suborganizations. The NRO currently has the following structure:

- [Executive Council](#),
- [Number Council](#);
- [Secretariat](#).

### 4. Address Council

#### a. Composition

The ASO Address Council shall consist of the members of the NRO Number Council.

Style Definition: Normal: Font: (Default) Times New Roman

Style Definition: Hyperlink

Style Definition: Normal (Web): English (AUS)

Formatted: Left: 1.25", Right: 1.25"

Formatted: Heading 3, Space Before: 0 pt, After: 0 pt, Pattern: Clear

Deleted: - 2004

Formatted: Font: Verdana, Not Bold, Font color: Auto

Deleted: 1.

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Space Before: 0 pt, After: 0 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Pattern: Clear

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Indent: Left: 0.25", Pattern: Clear

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Font: (Default) Verdana, 10 pt, Font color: Auto

Deleted: 2.

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Space Before: 0 pt, After: 0 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Pattern: Clear

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Indent: Left: 0.25", Space After: 0 pt, Pattern: Clear

Formatted: Font: (Default) Verdana, 10 pt, Font color: Auto

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted ... [1]

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted ... [2]

Formatted: Font: (Default) Verdana, 10 pt, Font color: Auto

Deleted: 3.

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted ... [3]

Formatted: Font: Verdana, 10 pt, Not Bold, Font color: Auto

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted ... [4]

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted: Font: Verdana, 10 pt, Font color: Auto

Formatted ... [5]

Formatted: Font: (Default) Verdana, 10 pt, Font color: Auto

Formatted: Footer

b. Responsibilities

The ASO Address Council is responsible for the organizational roles of:

1. undertaking a role in the global policy development process as described in attachment A of this document.
2. providing recommendations to the Board of ICANN concerning the recognition of new RIRs, according to agreed requirements and policies as currently described in document [ICP-2].
3. defining procedures for selection, removal, and recommendations for the removal of individuals to serve on other ICANN bodies, in particular on the ICANN Board, and implementing any roles assigned to the Address Council in such procedures.
4. providing advice to the Board of ICANN on number resource allocation policy, in conjunction with the RIRs.
5. developing procedures for conducting business in support of their responsibilities, in particular for the appointment of an Address Council Chair and definition of the Chair's responsibilities. All such procedures shall be submitted to the Executive Council of the NRO for approval.

c. Liaisons

The ASO Address Council shall admit liaisons from emerging Regional Internet Registries and liaisons from other ICANN entities.

All liaison positions shall be determined by liaison agreements as shall be made in writing with the NRO, based on the recognition of mutual benefit.

All Liaison positions will be non-voting.

d. Removal of Address Council Members

An ASO Address Council member may resign at any time by giving written notice to the ASO Address Council, the NRO Secretariat, and the ICANN Secretary. An ASO Address Council member originating from a particular RIR region may be removed by that region according to its published procedures. A vacancy on the ASO Address Council shall be deemed to exist in the case of the death, resignation, or removal of any member. When a vacancy occurs the position shall be filled by an interim appointment by the RIR for the affected region. This interim appoint shall be for the period until the next scheduled election for the ASO AC in that region at which time if there is any remaining time in the term the position shall be filled by election. The RIR of the affected region shall give written notification of these activities to the NRO Secretariat and the ICANN Secretary.

e. Compensation and Reimbursement

Formatted	... [7]
Formatted	... [9]
Formatted	... [8]
Formatted	... [10]
Formatted	... [11]
Deleted: 1	
Formatted	... [12]
Formatted	... [13]
Deleted: 2	
Formatted	... [14]
Formatted	... [15]
Formatted	... [16]
Deleted: 3	
Formatted	... [17]
Formatted	... [18]
Formatted	... [19]
Deleted: 4	
Formatted	... [20]
Formatted	... [21]
Formatted	... [22]
Deleted: 5	
Formatted	... [23]
Formatted	... [24]
Deleted:	
Formatted	... [25]
Deleted:	
Formatted	... [26]
Formatted	... [27]
Formatted	... [28]
Formatted	... [29]
Formatted	... [30]
Formatted	... [31]
Formatted	... [32]
Formatted	... [33]
Formatted	... [34]
Formatted	... [35]
Formatted	... [36]
Formatted	... [37]
Formatted	... [38]
Formatted	... [39]
Formatted	... [40]
Formatted	... [41]
Deleted: appointment	
Formatted	... [42]
Formatted	... [43]
Formatted	... [44]
Formatted	... [45]
Formatted	... [6]

No member of the Address Council shall receive any compensation for his or her services as a member of the Address Council. Address Council members shall, however, at their request, be reimbursed by the NRO for actual, necessary, and reasonable travel and subsistence expenses incurred by them in the performance of their duties.

#### 5. Secretariat

The NRO will provide all Secretariat services to support functions described by this agreement.

#### 6. Global Policy Development Process

Global policies are defined within the scope of this agreement as Internet number resource policies that have the agreement of all RIRs according to their policy development processes and ICANN, and require specific actions or outcomes on the part of IANA or any other external ICANN-related body in order to be implemented.

Global policies will be developed in the context of this agreement, according to the processes defined by attachment A to this MoU.

Under this agreement the ICANN Board will ratify proposed global policies in accordance with the Global Policy Development Process, using review procedures as determined by ICANN. ICANN will publish these procedures no later than ninety (90) days from the date of the signature of this agreement by all parties.

#### 7. Service Regions

The regions serviced by each RIR shall be defined by the RIRs in a manner of their choosing. The NRO shall ensure that all possible service areas are encompassed.

#### 8. Arbitration

In the event that the NRO is in dispute with ICANN relating to activities described in this MoU, the NRO shall arrange arbitration via ICC rules in the jurisdiction of Bermuda or such other location as is agreed between the NRO and ICANN. The location of the arbitration shall not decide the laws to be applied in evaluating this agreement or such dispute.

#### 9. Periodic Review of the ASO

With reference to the provisions of Article 4, Section 4.4 of the ICANN ByLaws [ICANN-BYLAWS], the NRO shall provide its own review mechanisms.

#### 10. Periodic Review of the MoU

The MOU signatories will periodically review the results and consequences of their cooperation under the MOU. When appropriate, the signatories will consider the need for improvements in the MOU and make suitable proposals for modifying

Formatted	... [47]
Formatted	... [48]
Formatted	... [49]
Deleted: 4.	
Formatted	... [50]
Formatted	... [52]
Formatted	... [51]
Formatted	... [53]
Formatted	... [54]
Formatted	... [55]
Deleted: 5.	
Formatted	... [56]
Formatted	... [57]
Formatted	... [58]
Formatted	... [59]
Formatted	... [60]
Formatted	... [61]
Formatted	... [62]
Formatted	... [63]
Formatted	... [64]
Formatted	... [65]
Formatted	... [66]
Formatted	... [67]
Deleted: 6.	
Formatted	... [68]
Formatted	... [69]
Formatted	... [70]
Formatted	... [71]
Deleted: 7.	
Formatted	... [72]
Formatted	... [73]
Formatted	... [74]
Formatted	... [75]
Deleted: 8.	
Formatted	... [76]
Formatted	... [77]
Formatted	... [78]
Formatted	... [79]
Formatted	... [80]
Deleted: V	
Formatted	... [81]
Deleted: 9.	
Formatted	... [82]
Formatted	... [83]
Formatted	... [84]
Formatted	... [46]

and updating the arrangements and scope of the MOU. This MOU may only be amended or supplemented in writing, signed by the parties.

### 11. Other provisions

From the date of signature this agreement supersedes and replaces the MoU signed between ICANN, APNIC, ARIN, LACNIC and RIPE NCC on 21 October 2004, and the subsequent inclusion of AFRINIC by Joinder in [##April 2005].

### 12. General

Nothing in this MOU shall be construed to create between or among any of the parties a partnership, joint venture, or impose any trust or partnership or similar duty on any party, including as an agent, principal or franchisee of any other party.

Other than as provided for in this MOU, the parties shall not be bound by or be liable for, any statement, representation, promise, agreement or other binding commitment of any kind on behalf of any other party, without that parties prior written consent.

The non-exercise of or delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right to preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party to be bound by the waiver.

No party may transfer or assign any or all of its interest, rights or obligation arising under this MOU without the prior written consent of each other party to this MOU.

### 13. Referenced Documents

[ICP-2]  
ICP-2: Criteria for Establishment of New Regional Internet Registries Published by ICANN 7 July 2001.  
<http://www.icann.org/icp/icp-2.htm>

[ICANN-BYLAWS]  
BYLAWS FOR INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS A California Nonprofit Public-Benefit Corporation As amended effective 18 June 2018  
<http://www.icann.org/general/bylaws.htm>

Formatted	... [86]
Deleted: 10.	
Formatted	... [87]
Formatted	... [88]
Formatted	... [89]
Formatted	... [91]
Deleted: supersedes	
Formatted	... [90]
Formatted	... [92]
Deleted: 18	
Formatted	... [93]
Deleted: 1999 amended in January 2001	
Formatted	... [94]
Deleted: LACN C	
Formatted	... [95]
Deleted: October 2002	
Formatted	... [96]
Deleted: 11.	
Formatted	... [97]
Formatted	... [98]
Formatted	... [99]
Formatted	... [100]
Formatted	... [101]
Formatted	... [102]
Formatted	... [103]
Deleted: party s	
Formatted	... [104]
Formatted	... [105]
Formatted	... [106]
Formatted	... [107]
Formatted	... [108]
Formatted	... [109]
Formatted	... [110]
Deleted: 12.	
Formatted	... [111]
Formatted	... [112]
Formatted	... [113]
Formatted	... [114]
Deleted: ↵	
Formatted	... [115]
Formatted	... [116]
Formatted	... [117]
Formatted	... [118]
Deleted: ↵	
Formatted	... [119]
Formatted	... [120]
Deleted: 26	
Formatted	... [121]
Deleted: 2003	
Formatted	... [122]
Deleted: ¶	
Formatted	... [85]

IN WITNESS WHEREOF, this Memorandum of Understanding is executed this [##] day of [##] 2019 by the undersigned, acting through their duly authorized representatives:

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

By: \_\_\_\_\_  
Göran Marby  
President and Chief Executive Officer

NUMBER RESOURCE ORGANIZATION

By: \_\_\_\_\_  
[##]  
Chair, Executive Council

ASIA PACIFIC NETWORK INFORMATION CENTRE

By: \_\_\_\_\_  
Paul Wilson  
Director General

AMERICAN REGISTRY FOR INTERNET NUMBERS

By: \_\_\_\_\_  
John Curran  
President and Chief Executive Officer

LATIN AMERICAN AND CARIBBEAN INTERNET ADDRESSES REGISTRY

By: \_\_\_\_\_  
Oscar Robles  
Executive Director / CEO

RÉSEAUX IP EUROPÉENS NETWORK COORDINATION CENTRE

By: \_\_\_\_\_  
Axel Pawlik  
Managing Director

AFRICAN NETWORK INFORMATION CENTRE

By: \_\_\_\_\_  
[##]  
Chief Executive Officer

## Attachment A

### Global Policy Development Process

#### Definitions:

"Global policy" is described in Section 6 of the ASO MoU.

"ASO Address Council" is described in Section 4 of the ASO MoU.

#### Process Description:

1. A proposed global policy can be submitted either to one of the RIR policy fora (via mail lists or public policy meeting) or to the ASO Address Council directly. If it is presented to one of the RIR policy fora a member of the ASO Address Council from that region will notify the Chair of the ASO Address Council within ten days of the introduction of the proposal. If it is presented to the ASO Address Council the members of the Address Council will notify their respective RIRs within ten days of the introduction of the policy proposal to the Address Council.

The Chair of the Address Council will place the global policy proposal on agenda of the next Address Council meeting as an information item.

2. The proposer has the duty to assist relevant communities within each regional policy forum to make them aware of the deliberations of their peers in the other regional policy forums.

The members of the Address Council will request that the global policy proposal be placed on the agenda for next open policy meeting in each region, in accordance with the applicable policy process.

In those cases where the advocate of the proposed policy cannot travel to a particular RIR public policy meeting, then the RIR shall appoint a person to present the proposal at the meeting.

3. It is recognized that the outcomes of consideration of a proposed global policy may differ in terms of specific language and detail from region to region. The staff of the RIRs will work with each other, and with the policy proposer to document the common elements of such outcomes.

4. This common text will be ratified by each RIR, by methods of its own choosing.

5. This ratified common text is the proposed global policy proposal that is forwarded to the ASO Address Council.

6. The ASO Address Council shall review the process followed by the RIRs in terms of reaching a position of common agreement and a common text to describe the proposed global policy, and the Address Council shall undertake measures in accordance with an adopted procedure to assure itself that the significant viewpoints of interested parties were adequately considered.

Within sixty days after the NRO Executive Council has advised the Address Council that global policy proposal has been adopted by all of the regions the Address Council shall either:

- a. pass it to ICANN for ratification as a global policy (the process continues to Step 7), or
  - b. advise the NRO Executive Council that the Address Council has concerns as an outcome of its review and that the proposal requires further review within the public policy development process, or
  - c. request the NRO Executive Council for an extension of time to complete the review of the proposal.
7. The ASO Address Council shall forward the proposed policy to the ICANN Board as a consequence of Step 6 (a).
8. The ICANN Board may review the policy proposal and may ask questions and otherwise consult with the ASO Address Council and/or the RIRs acting collectively through the NRO. The ICANN Board may also consult with other parties as the Board considers appropriate.
9. Within 60 days of receipt of the proposed policy, including such consultation as may occur in Step 8, the ICANN Board may either:
- a. accept the proposal by a simple majority vote; or
  - b. reject the proposed policy by a supermajority (2/3) vote; or
  - c. by a simple majority vote request changes to the proposed policy; or
  - d. take no action.
10. If the ICANN Board takes no action (that is, fails to take actions (a), (b) or (c) in Step 9) within the 60-day window, the proposed policy is deemed to be accepted by the ICANN Board and it becomes global policy. In case Step 9 (c), should at least one of the RIRs agree that changes need to be made, the status of the proposed policy reverts to Step 1. If none of the RIRs accept the case for changes, then the proposed policy continues to Step 11.
11. If the ICANN Board rejects the proposed policy (following Step 9(b)), it must deliver to the ASO Address Council a statement of its concerns with the proposed policy, including in particular an explanation of the significant viewpoints that were not adequately considered during the regular RIR process, within 60 days of the Board action.
12. The ASO Address Council, in conjunction with the RIRs and working through agreed procedures, shall consider the concerns raised by the ICANN Board, and engage in a dialogue as appropriate with the ICANN Board.
13. If the NRO Executive Council indicates that there is agreement from all RIRs, the ASO Address Council may forward a new proposed policy (either reaffirming the previous proposal or a modified proposal) to the ICANN Board. Alternatively, the

NRO Executive Council may indicate that the policy proposal shall be reconsidered by the RIRs, and the proposed policy reverts to Step 1.

14. The resubmitted proposed policy then becomes a global address policy unless, by a supermajority (2/3) vote, the ICANN Board rejects this resubmitted proposal within 60 days of receipt of the new proposed policy, in which case it does not become a global addressing policy.

15. If the resubmitted proposed policy is rejected for a second time by ICANN, then the RIRs or ICANN shall refer the matter to mediation using an agreed procedure to resolve the matter.

**Considerations:**

16. Through the provisions of an agreement to be executed between the RIRs and ICANN, it is recognized that the ICANN Board has the ability to request that the ASO Address Council initiate a policy development process through the RIRs, using the policy development procedure described above. Any such request must include an explanation of the significant viewpoints that call for policy development. This provision, and the similar provision in Step 10 of the policy development procedure described above, are intended to ensure that the ICANN Board acts in these circumstances only with substantial, credible, and defensible support from the community.

17. In bringing a policy proposal to the regional policy forums it is expected that the ICANN Board will nominate a presenter of the ICANN proposal.

18. All global policies in full force and effect on the day this agreement is executed shall continue in full force and effect until specifically superseded by global policy outcomes from the process described here.

19. All global policies adopted will be published in the NRO and the ICANN web sites.

20. Global policies adopted previous to this MOU will also be published in these sites, with a clear indication that they were adopted prior to the current policy procedure.



**ICANN BOARD PAPER NO. 2019-11-07-xx**

**TITLE:** **Acknowledgment of Third At-Large Summit**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

The Third At-Large Summit (ATLAS III) will take place 4-7 November 2019 during the ICANN 66 meeting in Montreal, Canada. Approximately sixty At-Large members, as well as current and incoming At-Large leaders, will participate in ATLAS III.

The summit will consist of a series of plenary sessions and seven breakout groups, incorporating both theory and practical learning sessions. A case study on Phase 1 of the Expedited Policy Development Process (EPDP) on the Temporary Specification for gTLD Registration Data will be used for the training. Current At-Large leaders will serve as coaches and facilitators of the break-out sessions. ATLAS III will also include networking events for participants to interact with At-Large members, as well as the ICANN community.

ATLAS III will provide participants with the skills required to effectively represent the best interests of the end users within ICANN.

A series of post-ATLAS III implementation activities will form an integral part of the Third At-Large Summit.

**STAFF RECOMMENDATION:**

The ICANN organization is recommending that the ICANN Board acknowledge the effort that has gone into the planning and implementation of a successful ATLAS III as well as the plans for the post-ATLAS III implementation activities will be welcomed by the members of the At-Large community.

**PROPOSED RESOLUTION:**

Whereas, the Third At-Large Summit (ATLAS III) was held during ICANN 66 meeting in Montreal, Canada between 4 November and 7 November 2019.

Whereas, ATLAS III built on both ATLAS II held at the ICANN 50 meeting in London, United Kingdom in June 2014 as well as the first summit organized in March 2009 at the ICANN 34 meeting in Mexico.

Whereas, the At-Large community continues the Summit's spirit of engagement and nurturing the abilities of future leaders of At-Large to become change agents within their Regional At-Large Organizations (RALOs) through a set of post-ATLAS III implementation activities.

Resolved (2019.11.07.xx), the Board extends its congratulations on the successful Summit held during ICANN 66 in Montreal.

Resolved (2019.11.07.xx), the Board affirms the significance of the ATLAS III meeting and its outcomes as valuable input from the At-Large community of individual Internet users towards strengthening ICANN.

Resolved (2019.11.07.xx), the Board expresses its great appreciation for the tremendous effort made by the At-Large community in delivering the Third At-Large Summit and the post-ATLAS III implementation activities.

Resolved (2019.11.07.xx), the Board looks forward to following up with the ALAC on any inputs that are provided to the Board resulting from the Third At-Large Summit and post-ATLAS III implementation activities.

**PROPOSED RATIONALE:**

The Third At-Large Summit (ATLAS III), which was made possible by the Board approving funds for the event, is an assembly of future At-Large Ambassadors, focused on developing and nurturing potential thought leaders and change agents who will implement what has resulted from the At-Large Review Process, namely, more effective participation of At-Large members in the policy advice process.

A Board Resolution acknowledging the significant effort, including over 12 months of planning, that went into the development and implementation of ATLAS III, will have positive community impacts. The ATLAS III Organizing Committee, ATLAS III Program Working Group, ATLAS III Leadership Development Team, ATLAS III Selection Committee, ATLAS III participants, At-Large Leadership, and other

members of the At-Large community would welcome Board acknowledgement and thanks for a successful ATLAS III.

The At-Large community will begin work on a number of Post-ATLAS III implementation activities immediately following the close of the Third At-Large Summit. The Post-ATLAS III implementation will take the place of a formal Declaration such as was submitted at the two previous At-Large Summits.

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

This is an Organizational Administrative Function for which public comment is not required.

**Signature Block:**

Submitted by: Heidi Ullrich

Position: VP, Policy Development  
and At-Large Relations

Date Noted: 17 October 2019

Email: [Heidi.ullrich@icann.org](mailto:Heidi.ullrich@icann.org)

**ICANN BOARD PAPER NO. 2019-11-07-1n**

**TITLE:** **SSAC Member Reappointments**  
**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

In accordance with the ICANN Bylaws Section 12.2(b)(ii), Security and Stability Advisory Committee (SSAC) membership appointments shall be for a term of three years, renewable indefinitely by the Board at the recommendation of the SSAC Chair, with the terms staggered to allow for the terms of one-third of the SSAC members to expire at the end of every year. Each year the SSAC Membership Committee evaluates those members whose terms are ending in the calendar year, in this case, on 31 December 2019. The Membership Committee submitted its recommendations for member reappointments to the SSAC, which approved the reappointments of the following SSAC members: Joe Abley, Jeff Bedser, Ben Butler, Paul Ebersman, Cristian Hesselman, Merike Kaeo, Warren Kumari, Jacques Latour, John Levine, Danny McPherson, Tara Whalen.

**COMMITTEE RECOMMENDATION:**

SSAC recommends the Board reappoint the SSAC members as identified in the proposed resolution.

**PROPOSED RESOLUTION:**

Whereas, Article 12, Section 12.2, Subsection (b) of the Bylaws governs the Security and Stability Advisory Committee (SSAC).

Whereas, the Board, in Resolution 2010.08.05.07, approved Bylaws revisions that create three-year terms for SSAC members, require staggering of terms, and obligate the SSAC Chair to recommend the reappointment of all current SSAC members to full or partial terms to implement the Bylaws revisions.

Whereas, the Board, in Resolution 2010.08.05.08, appointed SSAC members to terms of

one, two, and three years beginning on 01 January 2011 and ending on 31 December 2011, 31 December 2012, and 31 December 2013.

Whereas, in February 2019, the SSAC Membership Committee initiated an annual review of SSAC members whose terms are ending 31 December 2019 and submitted to the SSAC its recommendations for reappointments.

Whereas, on 1 August 2019, the SSAC members approved the reappointments.

Whereas, the SSAC recommends that the Board reappoint the following SSAC members to three-year terms: Joe Abley, Jeff Bedser, Ben Butler, Paul Ebersman, Cristian Hesselman, Merike Kaeo, Warren Kumari, Jacques Latour, John Levine, Danny McPherson, Tara Whalen.

Resolved (2019.11.07.xx), the Board accepts the recommendation of the SSAC and reappoints the following SSAC members to three-year terms beginning 01 January 2020 and ending 31 December 2022: Joe Abley, Jeff Bedser, Ben Butler, Paul Ebersman, Cristian Hesselman, Merike Kaeo, Warren Kumari, Jacques Latour, John Levine, Danny McPherson, Tara Whalen.

#### **PROPOSED RATIONALE:**

The SSAC is a diverse group of individuals whose expertise in specific subject matters enables the SSAC to fulfil its charter and execute its mission. Since its inception, the SSAC has invited individuals with deep knowledge and experience in technical and security areas that are critical to the security and stability of the Internet's naming and address allocation systems. The above-mentioned individuals provide the SSAC with the expertise and experience required for the Committee to fulfill its charter and execute its mission.

This resolution is an organizational administrative function for which no public comment is required. The appointment of SSAC members is in the public interest and in furtherance of ICANN's mission as it contributes to the commitment of the ICANN to strengthen the

security, stability, and resiliency of the DNS.

Submitted by: Merike Kaeo

Position: Liaison to the ICANN Board from the Security & Stability  
Advisory Committee

Date Noted: 17 October 2019

Email: [merike.kaeo@board.icann.org](mailto:merike.kaeo@board.icann.org)

**ICANN BOARD PAPER NO. 2019-11-07-2a**

**TITLE:** Transfer of the .TZ (United Republic of Tanzania) top-level domain to the Tanzania Communications Regulatory Authority

**PROPOSED ACTION:** For Board Consideration and Approval

**IANA REFERENCE:**

**EXECUTIVE SUMMARY:**

As part of PTI's responsibilities under the IANA Naming Function contract with ICANN, PTI has prepared a recommendation to authorize the transfer of the country-code top-level domain .TZ (United Republic of Tanzania, hereinafter, "Tanzania") to the Tanzania Communications Regulatory Authority.

Sensitive Delegation Information

**PROPOSED RESOLUTION:**

Resolved (2019.11.07.xx), as part of the exercise of its responsibilities under the IANA Naming Function Contract with ICANN, PTI has reviewed and evaluated the request to transfer the .TZ top-level domain to the Tanzania Communications Regulatory Authority. The documentation demonstrates that the proper procedures were followed in evaluating the request.

## **PROPOSED RATIONALE:**

### **Why the Board is addressing the issue now?**

In accordance with the IANA Naming Function Contract, PTI has evaluated a request for ccTLD transfer and is presenting its report to the Board for review. This review by the Board is intended to ensure that the proper procedures were followed.

### **What is the proposal being considered?**

The proposal is to approve a request to transfer the .TZ top-level domain and assign the role of manager to the Tanzania Communications Regulatory Authority.

### **Which stakeholders or others were consulted?**

In the course of evaluating this transfer application, PTI consulted with the applicant and other significantly interested parties. As part of the application process, the applicant needs to describe consultations that were performed within the country concerning the ccTLD, and their applicability to their local Internet community.

### **What concerns or issues were raised by the community?**

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

### **What significant materials did the Board review?**

Sensitive Delegation Information

**What factors the Board found to be significant?**

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

**Are there positive or negative community impacts?**

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

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

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

internal operations of country-code top-level domains within a country.

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

ICANN does not believe this request poses any notable risks to security, stability or resiliency. This is an Organizational Administrative Function not requiring public comment.

**SIGNATURE BLOCK:**

Submitted by:	Naela Sarras
Position:	Director, IANA Operations
Date Noted:	14 October 2019
Email:	naela.sarras@iana.org



# **Report on the Transfer of the .TZ (United Republic of Tanzania) top-level domain to the Tanzania Communications Regulatory Authority**

14 October 2019

This report is a summary of the materials reviewed as part of the process for the transfer of the .TZ (United Republic of Tanzania, hereinafter, “Tanzania”) top-level domain. It includes details regarding the proposed transfer, evaluation of the documentation pertinent to the request, and actions undertaken in connection with processing the transfer.

## **FACTUAL INFORMATION**

### **Country**

The “TZ” ISO 3166-1 code from which the application’s eligibility derives, is designated for use to represent Tanzania.

### **Chronology of events**

Delegation of the .TZ top-level domain was completed in July 1995. Initial operations were conducted outside of the country, as was typical in countries with limited Internet connectivity at the time.

The Tanzania Communications Regulatory Authority (TCRA) was established under the Tanzania Communications Regulatory Act No. 12 of 2003 to regulate the telecommunications, broadcasting and postal services in Tanzania.

On 9 September 2005, the Tanzania Communications (Telecommunication Numbering and Electronic Address) Regulations 2005 were published under the Tanzania Communications Act 1993. The revised regulations provided that TCRA “shall maintain control of all electronic communication numbers and addresses and ensure fair and efficient use of them by ... maintaining the national .tz electronic Address and users.”

In July 2006, TCRA published “A Report on the .TZ Country-code Top-level Domain Management and Related Issues”. It found that “having in place a formally established entity representing the entire Internet community in the country” was best practice. It recommended that a non-profit limited company be established, whose sole purpose would be to “control, manage and operate” the .TZ top-level domain. Membership of this organization would be comprised solely of TCRA and the Tanzania Internet Service Providers Association (TISPA), an association of major ISPs operating in Tanzania.

To fulfill this recommendation, the Tanzania Network Information Centre Limited (tzNIC) was incorporated in Tanzania on 16 November 2006.

On 29 April 2010, the .TZ top-level domain was transferred to tzNIC.

On 18 October 2018, the Members of tzNIC passed a special resolution to liquidate tzNIC and agreed to “execute the process of transferring the tzNIC functions to TCRA”. The decision was made after they confirmed that tzNIC had not fulfilled its financial sustainability goal and that TCRA could no longer financially support tzNIC. The resolution recognized that the “only way forward in compliance with the law was for tzNIC’s functions to be absorbed within TCRA in such a way that same present tzNIC staff would continue managing and administering the same .tz registry infrastructure within TCRA”.

On 3 June 2019, TCRA commenced a request for the transfer of the .TZ top-level domain.

### **Proposed Manager and Contacts**

The proposed manager is the Tanzania Communications Regulatory Authority. It is a government agency responsible for regulating the telecommunications, broadcasting and postal services in Tanzania.

The proposed administrative contact is Connie Francis, Director of ICT and Application Services at TCRA. The administrative contact is understood to be based in Tanzania.

The proposed technical contact is Simon Msafiri Balthazar, Senior ICT Officer at TCRA.

### **EVALUATION OF THE REQUEST**

#### **String Eligibility**

The top-level domain is eligible for transfer as the string for Tanzania is presently listed in the ISO 3166-1 standard.

#### **Incumbent Consent**

The incumbent manager is Tanzania Network Information Centre (tzNIC). Informed consent for the transfer of the .TZ top-level domain to TCRA was provided by Abibu Ntahigiye, former manager of tzNIC.

#### **Public Interest**

Government support was provided by Mrs. Maria Sasabo (PhD), Permanent Secretary (Communication) at the Ministry of Works, Transport and Communication. Additional support letters were provided by the following:

- Nazar Nicholas Kirama, Secretary General of ISOC Tanzania Chapter
- Dr. Magreth Mushi, Executive Secretary of the Tanzania Education and Research Network
- Mzee H. Boma, General Manager of the Tanzania Internet Service Providers Association

The application is consistent with known applicable laws in Tanzania. The proposed manager undertakes the responsibility to operate the domain in a fair and equitable manner.

### **Based in country**

The proposed manager is constituted in Tanzania. The administrative contact is understood to be a resident of Tanzania. The registry is to be operated in Tanzania.

### **Stability**

The application is not known to be contested.

### **Competency**

The application has provided information on the technical and operational infrastructure and expertise that will be used to operate the domain.

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

## **EVALUATION PROCEDURE**

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

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

Through the IANA Services performed by PTI, requests are received for delegating new ccTLDs, and transferring or revoking existing ccTLDs. An investigation is

performed on the circumstances pertinent to those requests, and the requests are implemented where they are found to meet the criteria.

### **Purpose of evaluations**

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

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

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

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

### **Method of evaluation**

To assess these criteria, information is requested from the applicant regarding the proposed manager and method of operation. In summary, a request template is sought specifying the exact details of the delegation being sought in the root zone. In addition, various documentation is sought describing: the views of the local internet community on the application; the competencies and skills of the manager to operate the domain; the legal authenticity, status and character of the proposed manager; and the nature of government support for the proposal.

After receiving this documentation and input, it is analyzed in relation to existing root zone management procedures, seeking input from parties both related to as

well as independent of the proposed manager should the information provided in the original application be deficient. The applicant is given the opportunity to cure any deficiencies before a final assessment is made.

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

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

**ICANN BOARD PAPER NO. 2019-11-07-2b**

**TITLE:** **Acceptance of the Second Organizational Review  
of the Nominating Committee (NomCom) –  
Detailed Implementation Plan**

**PROPOSED ACTION:** **For Board Consideration and Approval**

**EXECUTIVE SUMMARY:**

The NomCom Review Implementation Working Group has adopted the NomCom Review Detailed Implementation Plan (hereafter: Plan) with full consensus. The ICANN Board is being asked to accept the Plan and instruct the NomCom Review Implementation Working Group to start the implementation process.

The Organizational Effectiveness Committee of the ICANN Board (OEC) recommends that the Board accepts the Plan and that the Board instruct the NomComRIWG to start implementation, focusing first on those recommendations that are easiest and quickest to implement, with the understanding that the NomCom Review Implementation Working Group will provide updates on the implementation progress to the OEC via 6-monthly implementation status reports, as detailed in the 14 March 2019 Board resolution [[link](#)].

In line with its oversight responsibilities for Organizational Reviews, the Organizational Effectiveness Committee of the Board (OEC) has ensured that the ICANN organization complied with the Bylaws, and has reviewed all relevant materials, including the Plan.

**BACKGROUND:**

The second Nominating Committee Organizational Review began on 7 June 2017, in accordance with the ICANN Bylaws, Article 4.4, which requires the ICANN Board to "cause a periodic review of the performance and operation of ... the Nominating Committee (as defined in Section 8.1) ... by an entity or entities independent of the organization under review. The goal of the review, to be undertaken pursuant to such criteria and standards as the Board shall direct, shall be to determine (i) whether that organization, council or committee has a continuing purpose in the ICANN structure,

(ii) if so, whether any change in structure or operations is desirable to improve its effectiveness and (iii) whether that organization, council or committee is accountable to its constituencies, stakeholder groups, organizations and other stakeholders."

The independent examiner that conducted the second NomCom Review produced a [Final Report](#), published on 5 June 2018. The NomCom Review Implementation Planning Team drafted the [NomCom Review Recommendations Feasibility Assessment & Implementation Plan](#), which was completed with full consensus on 14 December 2018, and submitted to the OEC for consideration.

Subsequently, based on the OEC's recommendation, the ICANN Board resolved, inter alia, the following on 14 March 2019 [[link](#)]:

*Resolved (2019.03.14.16), the Board accepts the Feasibility Assessment and Initial Implementation Plan from the NomCom Review Implementation Planning Team, subject to appropriate implementation costing. The Board directs the ICANN President and CEO, or his designee(s), to support the NomCom Review Implementation Planning Team in the development and submission to the Board, through the OEC, of a plan for the implementation of the accepted recommendations. The ICANN President and CEO, or his designee(s), is directed to report back to the Board on the plan and any community input.*

*Resolved (2019.03.14.17), to support this action the Board requests that the NomCom Review Implementation Planning Team convene a working group that drafts a detailed implementation plan of the recommendations, as detailed in the FAIIP. The detailed implementation plan shall be submitted to the Board as soon as possible, but no later than six months after the adoption of this resolution. The implementation plan should contain a realistic timeline for the implementation, a definition of desired outcomes, an explanation of how the implementation addresses underlying issues identified in the final report, and a way to measure current state as well as progress toward the desired outcome. The working group shall also work with ICANN organization to include expected budgetary implications for each of the implementation steps into its detailed implementation plan. The implementation plan shall incorporate a*

*phased approach that allows for easy-to-implement and least costly improvements to be implemented first, with those items with more significant budget implications to be addressed later in the implementation process.*

*Resolved (2019.03.14.18), the Board directs the NomCom Review implementation working group to oversee the implementation process, once the Board has accepted the detailed implementation plan. Any budgetary requests resulting from the implementation shall be made in line with ICANN org's annual budgeting processes.*

*Resolved (2019.03.14.19) The Board directs the NomCom Review implementation working group to provide to the OEC with six-monthly written implementation reports on progress against the implementation plan, including, but not limited to, progress toward metrics detailed in the implementation plan and use of allocated budget.<sup>1</sup>*

Subsequently, the NomCom Review Implementation Working Group was formed and held its first [teleconference](#) on 17 April 2019. The NomCom Review Implementation Working Group is a cross community group, its membership is listed in the Annex of the [NomCom Review Detailed Implementation Plan](#). Following a [series of teleconferences](#), the NomCom Review Implementation Working Group developed the NomCom Review Detailed Implementation Plan and approved it with full consensus on 13 September 2019.

## **ORGANIZATIONAL EFFECTIVENESS COMMITTEE (OEC)**

### **RECOMMENDATION:**

In its capacity of overseeing the organizational review process, the OEC recommends that the Board accept the NomCom Review Implementation Plan and that the Board instruct the NomCom Review Implementation Working Group to commence the

---

<sup>1</sup> See full resolution: <https://www.icann.org/resources/board-material/resolutions-2019-03-14-en#2.f>

implementation, as outlined in the Plan without delay.

The OEC acknowledges that, at this time, the Plan cannot provide all implementation details for all recommendations. The OEC recommends, in accordance with the previous Board recommendation from 14 March 2019, that the NomCom Review Implementation Working Group provide the OEC with six-monthly written implementation reports on progress against the Plan, including, but not limited to, progress toward metrics detailed in the implementation plan and use of allocated budget. It is during these updates that the NomCom Review Implementation Working Group shall provide more details on the measurability of implementation progress including resource needs and budgetary implications. The Board, through the OEC will continue to review those detailed plans when released.

**PROPOSED RESOLUTION:**

Whereas, [ICANN Bylaws Article IV, Section 4.4](#) calls on the ICANN Board to “cause a periodic review of the performance and operation of each Supporting Organization, each Supporting Organization Council, each Advisory Committee (other than the Governmental Advisory Committee), and the Nominating Committee by an entity or entities independent of the organization under review. The goal of the review, to be undertaken pursuant to such criteria and standards as the Board shall direct, shall be to determine (i) whether that organization has a continuing purpose in the ICANN structure, and (ii) if so, whether any change in structure or operations is desirable to improve its effectiveness.”

Whereas, the independent examiner of the second NomCom Review produced a [Final Report](#) in June 2018. That report was received by the Board in March 2019, and at the same time the Board accepted the NomCom Review Implementation Planning Team’s Feasibility Assessment and Initial Implementation Plan.

Whereas, in response to that March 2019 resolution, the NomCom Review Implementation Working Group was created. That Working Group developed and approved with full consensus the [NomCom Review Detailed Implementation Plan](#) on 3 September 2018.

RESOLVED (2019.11.07.xx), the Board acknowledges the NomCom Review Implementation Working Group's work and thanks the members of that Group for their efforts.

RESOLVED (2019.11.07.xx), the Board accepts the NomCom Review Detailed Implementation Plan, including the implementation approach contained within.

RESOLVED (2019.11.07.xx), the Board directs the NomCom Review Implementation Working Group to commence implementation, in accordance with the NomCom Review Detailed Implementation Plan and to provide updates to the Organizational Effectiveness Committee of the ICANN Board (OEC) through six-monthly written implementation reports on progress, including, but not limited to, progress toward metrics and use of allocated budget. It is during these updates that the NomCom Review Implementation Working Group shall provide, if necessary, more details on the measurability of implementation progress including resource needs and budgetary implications. The Board, through the OEC will review those detailed plans when released.

RESOLVED (2019.11.07.xx), that any budgetary implications of the second NomCom Review implementation shall be considered as part of the applicable annual budgeting processes.

#### **RATIONALE FOR RESOLUTIONS :**

##### **Why is the Board addressing the issue?**

To ensure ICANN's multistakeholder model remains transparent and accountable, and to improve its performance, the ICANN Bylaws mandate independent reviews of each Supporting Organization, each Supporting Organization Council, each Advisory Committee (other than the Governmental Advisory Committee), and the Nominating Committee, as detailed in Article IV, Section 4.4 of the ICANN Bylaws. The independent examiner conducting the NomCom Review produced a final report that was published in June 2018. Based on its detailed review of the independent examiner's

findings and recommendations, the NomCom Implementation Planning Team prepared a Feasibility Assessment and Initial Implementation Plan (FAIIP), adopted with full consensus on 14 December 2018. Subsequently, the NomCom Review Implementation Planning Team convened a working group that drafted and submitted on 13 September 2019 the NomCom Review Detailed Implementation Plan.

The NomCom Review recommendations as noted in the NomCom Review Detailed Implementation Plan have the potential to advance ICANN's and the NomCom's effectiveness, transparency and accountability objectives and have been considered carefully by the Board's Organizational Effectiveness Committee as well as by the full Board.

The Board resolution will have a positive impact on ICANN as it reinforces ICANN's commitment to maintaining and improving its accountability, transparency and organizational effectiveness throughout the implementation process.

### **Why is the Board addressing the issue?**

This resolution moves the NomCom Review into the implementation phase. Following the assessment of the Plan and the feedback from the OEC, the Board is now in a position to consider the NomCom Review Detailed Implementation Plan and instruct the NomCom Review Implementation Working Group to commence the implementation process as set out in the Plan. This step is an important part of the Organizational Review process of checks and balances, to ensure that the Board-accepted recommendations will be implemented, while being mindful of all relevant resources constraints.

### **What is the proposal being considered?**

The proposal the Board is considering is the Organizational Effectiveness Committee's recommendation of the adoption of the NomCom Review Implementation Plan, drafted and adopted by the NomCom Review Implementation Working Group.

### **Which stakeholders or others were consulted?**

The Chair and Vice-Chairs of the NomCom Review Implementation Working Group contacted community leaders to invite feedback on the implementation process of the 27 recommendations. Community feedback informed the NomCom Review Implementation Working Group's drafting of the NomCom Review Detailed Implementation Plan. The NomCom Review Implementation Working Group also conducted a community-wide [webinar](#) in the run-up to ICANN65 to provide an update to the Community on the NomCom Review Implementation Working Groups' work and solicit feedback.

### **What concerns, or issues were raised by the community?**

The NomCom Review Implementation Working Group received community input on Recommendations 10 (ten), 14 (fourteen), sixteen (16), twenty-four (24), twenty-five (25) and twenty-seven (27).<sup>2</sup> The input provided was mostly on the desired outcome of implementation, rather than the processes the NomCom Review Implementation Working Group should use to implement the recommendations. While community views on the implementation process varied in some cases, the feedback helpfully informed the NomCom Review Implementation Working Group's work. Community feedback on implementation outcome did not feed into the Plan but the NomCom Review Implementation Working Group has [kept a record](#) of all input, including on desired implementation outcome, and it will inform the Group's work during the implementation process.

### **What significant materials did the Board review?**

The Board reviewed the NomCom Review Detailed Implementation Plan, as adopted by the NomCom Review Implementation Working Group. The Board had previously considered the relevant Bylaws provisions, the independent examiner's final report, the NomCom Review Implementation Planning Team's Feasibility Assessment and Initial Implementation Plan, and community feedback on the independent examiner's

---

<sup>2</sup> See Outreach: Community Feedback: <https://community.icann.org/x/D5WjBg>.

assessment report and draft final report, and took onboard the OEC's considerations in making this recommendation.

**Are there fiscal impacts or ramifications on ICANN, the Community, and/or the Public (strategic plan, operating plan, or budget)?**

This Board action will have some fiscal implications and this resolution does not authorize any specific funding for those implementation efforts. As detailed in the Plan, implementation of some recommendations is dependent on successful future budget requests, and the Plan outlines which recommendations are impacted as well as the need to make budget requests during future ICANN budget cycles.

**How is this action within ICANN's mission and what is the public interest served in this action?**

The Board's action is consistent with ICANN's Mission and its commitment pursuant to Section 4.4 of the Bylaws to ensure ICANN's multistakeholder model remains transparent and accountable, and to improve the performance of its supporting organizations and advisory committees.

This action will serve the public interest by contributing to the fulfillment of ICANN's commitment to maintaining and improving its accountability and transparency.

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

This Board action is not expected to have a direct effect on security, stability or resiliency issues relating to the DNS.

**Is public comment required prior to Board action?**

The independent examiner's draft final report was published for [public comment](#). A status update on the work of the NomComRIWG was provided during a webinar prior to ICANN65, and Chair and Vice-Chairs of the NomCom Review Implementation Working Group contacted SO/ACs chairs and received feedback on implementation of the 27 recommendations, which informed the drafting of their NomCom Review Detailed Implementation Plan. No additional public comment prior to Board action is required.

**Signature Block:**

Submitted by: Theresa Swinehart

Position: Senior Vice President, MSSI

Date **Noted**: 18 October 2019

Email: [theresa.swinehart@icann.org](mailto:theresa.swinehart@icann.org)

# NomCom Review Detailed Implementation Plan

Detailed Implementation Plan drafted by the NomCom Review Implementation Working Group (NomComRIWG), for consideration by the ICANN Board, in accordance with the approved ICANN Board resolution on 14 March 2018.

NomCom Review Implementation Working Group  
15 September 2019



---

## TABLE OF CONTENTS

<b>1 OVERVIEW</b>	<b>3</b>
<b>2 DETAILED IMPLEMENTATION PLAN</b>	<b>7</b>
<b>Recommendation 1</b>	<b>7</b>
<b>Recommendation 2</b>	<b>9</b>
<b>Recommendation 3</b>	<b>11</b>
<b>Recommendation 4</b>	<b>13</b>
<b>Recommendation 5</b>	<b>15</b>
<b>Recommendation 6</b>	<b>17</b>
<b>Recommendation 7</b>	<b>19</b>
<b>Recommendation 8</b>	<b>21</b>
<b>Recommendation 9</b>	<b>22</b>
<b>Recommendation 10</b>	<b>24</b>
<b>Recommendation 11</b>	<b>26</b>
<b>Recommendation 12</b>	<b>27</b>
<b>Recommendation 13</b>	<b>29</b>
<b>Recommendation 14</b>	<b>31</b>
<b>Recommendation 15</b>	<b>33</b>
<b>Recommendation 16</b>	<b>35</b>
<b>Recommendation 17</b>	<b>37</b>
<b>Recommendation 18</b>	<b>38</b>
<b>Recommendation 19</b>	<b>40</b>
<b>Recommendation 20</b>	<b>42</b>
<b>Recommendation 21</b>	<b>44</b>
<b>Recommendation 22</b>	<b>46</b>
<b>Recommendation 23</b>	<b>48</b>
<b>Recommendation 24</b>	<b>50</b>
<b>Recommendation 25</b>	<b>53</b>
<b>Recommendation 26</b>	<b>55</b>
<b>Recommendation 27</b>	<b>57</b>
<b>APPENDIX</b>	<b>59</b>
<b>Membership List</b>	<b>59</b>

---

# 1 Overview

The NomCom Review Implementation Working Group (NomComRIWG) is pleased to submit this Detailed Implementation Plan to the Operational Effectiveness Committee for its review and recommendation to the overall ICANN Board.

ICANN's second Nominating Committee Organizational Review began on 7 June 2017<sup>1</sup> with the following phases:

- Review
- Feasibility Assessment and Initial Implementation Plan
- Detailed Implementation Plan
- Implementation

The [review phase](#) concluded on 5 June 2018 with the publication of the independent examiner's [final report](#), containing 27 recommendations. A NomCom Review Implementation Planning Team (IPT) was then convened for assessing the feasibility of the independent examiner's recommendations, and for developing an initial implementation plan. The independent examiner and the IPT respectively presented the final report and the [feasibility assessment and initial implementation plan](#) on 8 January December 2018 to the Organizational Effectiveness Committee (OEC) of the ICANN Board, who made a recommendation to the Board on next steps.

On 14 March 2019, the ICANN Board accepted the NomCom Review [Final Report](#) and the NomCom Review Implementation Planning Team's [Feasibility Assessment and Initial Implementation Plan](#), and resolved that *"the NomCom Review Implementation Planning Team convene a working group that drafts a detailed implementation plan of the recommendations, as detailed in the [FAIIP](#), within six months from the adoption of this resolution, and for that implementation working group to oversee the implementation of these recommendations, once the Board has approved said detailed implementation plan"*. The Board also directed *"the NomCom Review implementation working group to oversee the implementation process, once the Board has accepted the detailed implementation plan."* See full resolution [here](#).

Therefore, on 25 March 2019, a [call for volunteers](#) was published for volunteers to join the NomCom Review Implementation Working Group (NomComRIWG). [31 volunteers](#) joined the NomComRIWG, with Tom Barrett ([SOI](#)) elected as Chair. Cheryl Langdon-Orr ([SOI](#)) and Zahid Jamal ([SOI](#)) assumed the positions of Vice Chairs.

The NomComRIWG started its work on 17 April 2019 (all meeting proceedings can be found [here](#)) to draft a detailed implementation plan setting out to provide for each of the twenty-seven (27) recommendations: a realistic timeline for the implementation, a definition of desired outcomes, an explanation of how the implementation addresses underlying issues identified in the final report, a way to measure current state as well as progress toward the desired outcome, details on the expected budgetary implications for each of the implementation steps. On several of the recommendations, the NomComRIWG sought additional input from the ICANN community and staff.

The scope and potential impact of the recommendations vary from over-arching to operational improvements. In particular, the NomComRIWG has determined that a number of recommendations (2, 3, 4, 5, 6, 12, 13, 18, 19, 20, 21, 22, 23, 25, 27) require, once

---

<sup>1</sup> See announcement : <https://www.icann.org/news/announcement-2017-06-07-en>

---

implemented, the support of an 'empowered body' (hereafter: Standing Committee), in itself the result of recommendation 24. The NomComRIWG expects that a number of these recommendations will be implemented – and therefore require participation from the Standing Committee – before the Standing Committee itself may be fully established. Therefore, as part of the detailed implementation plan, the NomComRIWG proposes that a sub-group of NomComRIWG members take on the tasks of the Standing Committee on an interim basis until recommendation 24 is fully implemented.

This detailed implementation plan was completed on 13 September 2019 after 19 plenary meetings. Following feedback from the OEC, the NomCom Review Implementation Working Group [met on 10 October 2019](#) to discuss proposed edits to the document by the OEC. The NomCom Review Implementation Working Group accepted all proposed edits and agreed to the document in its current and final form.

If accepted by the ICANN Board, the NomCom Review implementation working group will oversee the implementation process, as per the aforementioned Board resolution, and provide to the OEC with six-monthly written implementation reports on progress against the implementation plan, including, but not limited to, progress toward metrics detailed in the implementation plan and use of allocated budget. While the NomComRIWG will continue its role in the implementation process, the group remains open to newcomers.

## REFERENCE MATERIALS - BOARD PAPER NO. 2019-11-07-2b

**TITLE:** **Acceptance of the Second Organizational Review of the Nominating Committee (NomCom) – Detailed Implementation Plan**

The NomCom Review Implementation Working Group has adopted the NomCom Review Detailed Implementation Plan (hereafter: Plan) with full consensus. The ICANN Board is being asked to accept the Plan and instruct the NomCom Review Implementation Working Group to start the implementation process. The Organizational Effectiveness Committee of the ICANN Board (OEC) recommends that the Board accepts the Plan and that the Board instruct the NomCom Review Implementation Working Group to start implementation, focusing first on those recommendations that are easiest and quickest to implement, with the understanding that the NomCom Review Implementation Working Group will provide updates on the implementation progress to the OEC via 6-monthly implementation status reports, as detailed in the 14 March 2019 Board resolution [[link](#)].

### ▪ **Background**

The second Nominating Committee Organizational Review began on 7 June 2017, in accordance with the ICANN Bylaws, Section 4.4. The independent examiner that conducted the second NomCom Review produced a [Final Report](#), published on 5 June 2018. The NomCom Review Implementation Planning Team drafted the [NomCom Review Recommendations Feasibility Assessment & Implementation Plan](#), which was completed with full consensus on 14 December 2018, and submitted to the OEC for consideration. On 14 March 2019, [the Board accepted](#) the Final Report and the Feasibility Assessment and instructed the composition of a NomCom Review Implementation Working Group to draft a detailed implementation plan within six (6) months. The NomCom Review Implementation Working Group was formed and held its first [teleconference](#) on 17 April 2019. Following a [series of teleconferences](#), the NomCom Review Implementation Working Group developed the [NomCom Review Detailed Implementation Plan](#) and approved it with full consensus on 13 September 2019.

- **What are the key issues addressed?**

The NomCom Review recommendations as noted in the NomCom Review Detailed Implementation Plan have the potential to advance ICANN's and the NomCom's effectiveness, transparency and accountability objectives and have been considered carefully by the Board's Organizational Effectiveness Committee as well as by the full Board. The Board resolution will have a positive impact on ICANN as it reinforces ICANN's commitment to maintaining and improving its accountability, transparency and organizational effectiveness throughout the implementation process.

- **Consultations undertaken/results (internal or external)**

The independent examiner's draft final report was published for [public comment](#), receiving general support for the recommendations. As part of its work, the NomCom Review Implementation Working Group contacted community leaders to invite feedback on the implementation process of the 27 recommendations to inform the drafting of the Detailed Implementation Plan. The NomCom Review Implementation Working Group also conducted a community-wide [webinar](#) in the run-up to ICANN65 to provide an update to the Community on the NomCom Review Implementation Working Groups' work.

### **Signature Block:**

Submitted by: Theresa Swinehart

Position: Senior Vice President, MSSSI

Date Noted: 18 October 2019

Email: [theresa.swinehart@icann.org](mailto:theresa.swinehart@icann.org)

## ICANN BOARD PAPER NO. 2019.11.07.2c

**TITLE:** Cross Community Working Group Work Stream 2 (WS2) Final Report

**PROPOSED ACTION:** For Board Consideration and Approval

### EXECUTIVE SUMMARY:

The [Final Report](#) and its set of recommendations issued by Workstream 2 of the Cross Community Working Group on Enhancing ICANN Accountability (WS2) is the culmination of over two years of work focused on addressing accountability topics for which a timeline for developing solutions and full implementation was not required for the successful IANA Stewardship Transition.

The WS2 [Final Report](#) contains over 100 consensus-based recommendations, developed through its eight sub-groups of WS2 (Diversity, Guidelines for Good Faith Conduct, Human Rights, Jurisdiction, Improving the ICANN Office of the Ombuds, SO/AC Accountability, Staff Accountability, and Transparency). The Final Report also includes a section on Implementation Guidance that provides specific information on how implementation is expected to occur for four of the WS2 recommendations.

Under the Bylaws, the Board is committed to accept WS2's consensus-based recommendations unless the Board determines that a recommendation is not in the public interest. (Bylaws, Section 27.1(c)). The recommendations must also meet the criteria set out by U.S. Department of Commerce, National Telecommunications and Information Administration (NTIA):

- Support and enhance the multistakeholder model;
- Maintain the security, stability, and resiliency of the Internet DNS;
- Meet the needs and expectation of the global customers and partners of the IANA services; and,
- Maintain the openness of the Internet

After the WS2 Final Report, including the Implementation Guidance, was developed, the WS2 Final Report was then submitted to each of the chartering organizations for sign off. Once all

WS2 Final Report: <https://www.icann.org/en/system/files/files/ccwg-acct-ws2-final-24jun18-en.pdf>

chartering organizations confirmed their support for the WS2 Final Report, it was then presented to the ICANN Board of Directors for consideration.

At the direction of the Board, ICANN org prepared a WS2 Implementation Assessment Report (need URL). The WS2 Implementation Assessment Report addresses the budget and resource impact of the recommendations that are directed to ICANN org, as well as for those recommendations where ICANN org will support the Board or ICANN community in their implementation. There are no portions of the recommendations, particularly when read in coordination with the Implementation Guidance, that raise concerns about the global public interest, and all of the recommendations appear appropriate to adopt and direct for implementation.

The implementation of the range of recommendations involves efforts from ICANN org, ICANN Board and the ICANN community. There were several recommendations in the WS2 Final Report that are for the community to implement and for which the Board cannot direct the outcome, such as recommendations on SO/AC Accountability and the Guidelines for Good Faith Conduct. The Board expects that as a result of Chartering Organization approval of the WS2 Final Report, all of the community-directed consensus recommendations will be considered by the ICANN community for implementation. The Board will instruct ICANN org to support the community's WS2 implementation work within the parameters of ICANN's annual approved budget and five-year operating plan. As much as possible, implementation work should begin upon adoption of the WS2 Final Report, including providing support as available to the ICANN community for those parts of the recommendations for which implementation is community driven. As much as possible, implementation work should begin upon adoption of the WS2 Final Report. Implementation of WS2 recommendations will be tracked by ICANN org for appropriate status reporting to the Community.

With adoption of the WS2 Final Report, the Board maintains its an obligation and responsibility to balance the WS2 implementation work of ICANN with other existing, planned, or unplanned activities to ensure all ICANN priorities are aligned with available funding and community bandwidth, and expectations in order to preserve ICANN's ability to continue serving its Mission and the public interest.

The Board thanks the members and participants of WS2 and the Co-Chairs for their work, and looks forward to working with the community on the implementation of the recommendations.

### **WS2 BOARD TRANSITION CAUCUS GROUP'S RECOMMENDATION:**

The Board Transition Caucus Group recommends that the Board take action on the WS2 Final Report through adoption of the consensus-based recommendations, inclusive of the Implementation Guidance. The WS2 Implementation Assessment Report (**URL needed**) provides additional guidance and information to the Board on the impact of the WS2 recommendations on budget and resources and identifies areas where implementation has already commenced, and emphasizes that while implementation may take place over several years, it is still feasible and in the public interest to adopt every recommendation.

The WS2 Implementation Assessment Report identifies considerations and potential effort required from the community, ICANN org and Board in the implementation of the WS2 recommendations. The WS2 Final Report does not contain, nor does the WS2 Implementation Assessment Report direct, prioritization amongst the multiple recommendations within the WS2 Final Report. Where some groups of recommendations appear to be dependent upon other recommendations, the need for prioritization is clearer. As a whole, however, implementation resourcing will need to be prioritized through guidance provided by the Community and input into the ICANN Annual Budgeting process and ICANN's Five-Year Operating Plan.

The Board Transition Caucus noted that none of the WS2 recommendations demonstrate any significant concerns regarding the global public interest or feasibility of implementation, although several of the WS2 recommendations are anticipated to require a high level of effort to implement and to maintain as ongoing activities.

However, as the implementation of WS2 recommendations will not be funded out of the ICANN Reserve Fund, implementation resourcing will need to be prioritized over an appropriate amount of time, factoring in other existing, planned, or unplanned activities.

Therefore, implementation timing of WS2 Recommendations will need to be coordinated with existing operating planning cycles, and subject to Public Comment as a part of those efforts. All ICANN Operating Plans are subject to review, and revision based on changes to funding or activity assumptions.

## **PROPOSED RESOLUTION:**

Whereas, on [14 March 2014](#), the National Telecommunications and Information Administration of the United States Department of Commerce announced its intention to transition the stewardship of the IANA Functions to the global multistakeholder community.

Whereas, NTIA required that the transition proposal must have broad community support and uphold the following principles:

- Support and enhance the multistakeholder model;
- Maintain the security, stability, and resiliency of the Internet DNS;
- Meet the needs and expectation of the global customers and partners of the IANA services;
- Maintain the openness of the Internet; and
- Not result in ICANN becoming a government-led or an inter-governmental organization.

Whereas, on 9 November 2018, the CCWG-Accountability WS2 Co-Chairs submitted the WS2 Final Report (<https://www.icann.org/en/system/files/files/ccwg-acct-ws2-final-24jun18-en.pdf>) to the Board upon Chartering Organizations approval.

Whereas, ICANN is obligated under [Section 27 of the Bylaws](#) to consider the consensus-based WS2 recommendations with the same process as developed for the recommendations from WS1 of the CCWG-Accountability, and may only reject the recommendations that it deems are not in the global public interest. The recommendations must meet the NTIA principles as set out in Section 27.1(c).

Whereas, the recommendations contained in the WS2 Final Report are directed to the ICANN Board, ICANN org and the ICANN community.

Whereas, the WS2 recommendations directed to the ICANN community are for the community to implement, with support as needed from ICANN org.

Whereas, the community's prioritization and staging of the WS2 recommendations for implementation will be facilitated through the budgeting and planning processes.

Whereas, the WS2 Implementation Team informed the Board that a public consultation was not needed for the WS2 Implementation Assessment Report.

Resolved (2019.11.03.xx), the Board thanks the members of the CCWG-WS2 for their dedication and over two years of work to achieve the WS2 Final Report and its consensus recommendations.

Resolved (2019.11.03.xx), the Board adopts each of the consensus recommendations contained within the WS2 Final Report, as they meet the NTIA principles, and each appears to be in the global public interest, as required by ICANN Bylaws, Article 27.

Resolved (2019.11.07.xx), the Board directs the ICANN President and CEO, or his designee(s), to proceed to implementation of the WS2 recommendations, including the considerations identified in the WS2 Implementation Assessment Report. Because implementation of WS2 recommendations will not be funded out of the ICANN Reserve Fund, implementation resourcing will need to be prioritized over an appropriate amount of time, factoring in other existing, planned, or unplanned activities.

Resolved (2019.11.07.xx), the Board directs the ICANN President and CEO, or his designee(s) to provide regular implementation status reports to the Board, as committed in the WS2 Implementation Assessment Report.

Resolved (2019.11.07.xx), the ICANN Board directs the ICANN President and CEO, or his designee(s), to start implementation on those recommendations provided in the WS2 Final Report that are possible to move forward without waiting for a budgeting cycle. This includes

providing support as available to the ICANN community for those parts of the WS2 recommendations that are community driven in implementation. As much as possible, work should begin upon adoption of the WS2 recommendations.

Resolved (2019.11.07.xx), for all WS2 recommendations that are identified for the ICANN community, the Board directs the ICANN President and CEO, or his designee(s) to notify the relevant community groups of their adoption. The Board requests that all parts of the ICANN community that are responsible for implementation of recommendations participate in reaching a successful implementation.

**PROPOSED RATIONALE:**

*Why is the Board addressing this issue?*

During the development of the proposals for the IANA Stewardship Transition, the ICANN community divided the work of the Cross Community Working Group on Enhancing ICANN Accountability into two phases. The first work stream (WS1) concluded in 2016 and developed consensus recommendations on accountability enhancements to take place before the IANA Stewardship Transition. The community also agreed to conduct a work stream (Work Stream 2, or WS2) through which the CCWG-ACCT would remain in place and develop recommendations for accountability topics for which a timeline for developing solutions and full implementation was not required for the successful IANA Stewardship Transition. The ICANN Board committed to consideration of the WS2 recommendations through Article 27 of the ICANN Bylaws. Today's action is the culmination of the CCWG-ACCT effort and in alignment with the Board's commitments from 2016.

In July 2018, WS2 submitted to the Chartering Organizations its Final Report containing consensus recommendations and implementation guidance to four of those recommendations. Upon approval by the Chartering Organizations, CCWG-ACCT Co-Chairs submitted the WS2 Final Report to the Board in November 2018.

Upon submission of the WS2 Final Report, ICANN org prepared the WS2 Implementation Assessment Report outlining the recommendations and considerations of effort required from the community, ICANN org and Board in the implementation of the WS2 recommendations. This implementation feasibility assessment report also notes the roles, responsibilities, and resourcing considerations for the implementation of the WS2 recommendations.

The WS2 Implementation Assessment Report was discussed with the WS2 Implementation Team, comprised of the Co-Chairs and the rapporteurs for the WS2 Subgroups, and their input and clarifications informed the final report. The WS2 Implementation Team urged the Board to move forward to approval and directing implementation of the recommendations, as opposed to putting the WS2 Implementation Assessment Report out for comment and inputs on prioritization. The Board is supportive of moving forward to implementation, but also notes that prioritization as among the many WS2 recommendations and in light of the other work facing the ICANN community and org, is still a necessary and essential conversation.

As noted in the WS2 Implementation Assessment Report, while the community's prioritization and staging of recommendations for implementation will be facilitated through the budgeting and planning processes, the ICANN Board expects that ICANN org will start implementation on those recommendations provided in the WS2 Final Report that are possible to move forward without waiting for a budgeting cycle.

ICANN org is also expected to provide support as available to the ICANN community for those parts of the WS2 recommendations that are community driven in implementation. As much as possible, work should begin upon adoption of the WS2 Final Report.

The tracking of WS2 implementation will be reported regularly to the Board and Community.

*Why is the proposal being considered?*

The WS2 Final Report contains over 100 consensus-based recommendations that encompass the following topics: Diversity, Guidelines for Good Faith Conduct, Human Rights, Jurisdiction, Improving the ICANN Office of the Ombuds, SO/AC Accountability, Staff Accountability, and

Transparency. Each of these topics contains specific accountability and transparency recommendations directed at ICANN org, the community and the Board to implement. Over 30 of the recommendations are for the ICANN community to implement, and the org and Board are only in a support role to those efforts.

WS2 recommendations must follow the five principles that NTIA set out for the transition:

- Support and enhance the multistakeholder model;
- Maintain the security, stability, and resiliency of the Internet DNS;
- Meet the needs and expectations of the global customers and partners of the IANA services; ,
- Maintain the openness of the Internet; and,
- Not result in ICANN becoming a government-led or an inter-governmental organization.

There are no recommendations within the report that contradict any of these principles. The recommendations do not impact the security, stability and resiliency of the Internet DNS, impact the provision of the IANA service, impact the openness of the Internet, or open any possibility for ICANN to become a government-led or inter-governmental organization. On the whole, the recommendations are drafted in a manner that supports and enhances the multistakeholder model through building in multiple levels of accountability in the important issues addressed. As such, the NTIA principles are satisfied and the recommendations are appropriate to proceed.

The Board notes that the WS2 recommendations directed at ICANN org should commence implementation as soon as it is feasible within the parameters of the annual budget and operating plan. The Board acknowledges that there are recommendations that have been directed to the Board that are not within the Board's power to direct an outcome as the implementation resides with the community. As the chartering organizations have approved the WS2 Final Report it is anticipated that the community will implement the WS2 recommendations that have been directed to them to implement.

The Board expects that each recommendation will be adopted and directed for implementation, and as that implementation proceeds, the Board expects ICANN org to provide regular

implementation updates for the community and the Board. The Board also expects that as clarifications are needed on whether the implementation work is meeting the intention of the recommendations, that ICANN org works closely with the WS2-IT as needed. The Board expects that as ICANN org will identify which items are ready to proceed directly to implementation, and that the remainder of the items will be identified within the planning cycle for inclusion in the budget and operating plan work for further prioritization.

*Which stakeholders or others were consulted?*

The WS2 Final Report underwent public consultation and sign off by the respective Chartering organizations. Additionally, in the preparations of the WS2 Implementation Assessment Report, the WS2 Implementation Team met with the Board Transition Caucus group to discuss and inform the final report. Agreement was reached that the WS2 Implementation Assessment Report did not need to undergo public consultation, as the prioritization and implementation would be part of ICANN's ongoing operational planning process. There will be further consultation, through ICANN's planning cycles, on the prioritization of the recommendations still awaiting implementation.

*What significant materials did the Board review?*

The Board reviewed the WS2 [Final Report](#) and the WS2 Implementation Assessment Report **(URL needed)** in reaching its decision to adopt the WS2 Final Report and the recommendations contained therein. The WS2 Implementation Assessment Report was formed through guidance and clarifications obtained through discussions with the WS2 Implementation Team to ensure that the intent of the consensus recommendations was reflected in the WS2 Implementation Assessment Report.

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

As the [Board](#) communicated at the [adoption of the Workstream 1](#) report and recommendations, implementation of the WS2 recommendations will be funded out of ICANN's annual budget and

operating plan process. The WS2 Final report also acknowledged that it will take several years to complete the implementation of the recommendations. This allows for ICANN org to budget in accordance with its limited resources. As noted in the WS2 Implementation Assessment Report, there are some recommendations that are currently undergoing implementation without waiting for the completion of the budget and operating plan process, or that can proceed quickly to implementation without significant budget impact, and the Board expects the work on those to proceed as swiftly as possible.

However, the implementation of WS2 recommendations adopted by the Board will have a considerable resource and budgetary impact on ICANN.

The Board notes that it has the obligation and responsibility to balance the work of ICANN in order to preserve the ability for ICANN org to serve its Mission and the public interest.

*Are there positive or negative community impacts?*

On the whole, the ICANN Board adopting the WS2 recommendations is anticipated to have positive community impacts. First, it is important that the Board adhere to its commitments to see through the Enhancing ICANN Accountability process. Second, and more importantly, is that as the recommendations are implemented, the community should see positive enhancements to ICANN accountability at all levels – the Board, org and community.

Should the SO/ACs and community groups to whom the recommendations are addressed decide to take on implementation of the WS2 recommendations directed to them, there could be an impact on the community workload. This, in addition to other ongoing work, and associated cost, could affect community bandwidth and resources. Such resource implications will not be clear until the SO/ACs and community groups consider the WS2 recommendations directed at them and determine a course of action. The Board also understands the importance of ICANN org involvement in supporting the implementation work of the SO/ACs and community groups.

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

The Board action to adopt the WS2 Final Report and its recommendations is not expected to have a direct effect on security, stability or resiliency issues relating to the DNS.

*Is this action within ICANN's Mission? How does it relate to the global public interest?*

The WS2 Final Report was a consensus document produced by ICANN's multistakeholder community in compliance with NTIA's four principals established to enable a successful the IANA transition. This is embodied in ICANN's bylaws, [Article 27 - Transition](#), and falls within ICANN's Mission.

*Is this either a defined policy process within ICANN's Support Organizations or ICANN's Organizational Administrative Function decision regarding public comment or not requiring public comment?*

Public comments were received on the WS2 Final Report prior to Board consideration.

**Signature Block:**

Submitted by: Theresa Swinehart

Position: SVP, Multistakeholder Strategy  
& Strategic Initiatives

Date Noted: xx November 2019

Email: [Theresa.swinehart@icann.org](mailto:Theresa.swinehart@icann.org)

# **Implementation Assessment Report CCWG-ACCT Workstream 2 Final Report and Recommendations**

Prepared at the direction of the ICANN Board  
29 October 2019

# TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>4</b>
<b>1. DIVERSITY</b>	<b>6</b>
1.1 Description of the Recommendation	6
1.2 Work Currently Underway	7
1.3 Implementation Considerations	7
1.4 Resource Estimates	9
<b>2. GUIDELINES FOR STANDARDS OF CONDUCT PRESUMED TO BE IN GOOD FAITH ASSOCIATED WITH EXERCISING REMOVAL OF INDIVIDUAL ICANN BOARD DIRECTORS (GUIDELINES FOR GOOD FAITH)</b>	<b>11</b>
2.1 Description of the Recommendation	11
2.2 Work Currently Underway	11
2.3 Implementation Considerations	12
2.4 Resource Estimates	13
<b>3. RECOMMENDATION FOR A FRAMEWORK OF INTERPRETATION FOR HUMAN RIGHTS</b>	<b>14</b>
3.1 Description of the Recommendation	14
3.2 Work Currently Underway	14
3.3 Implementation Considerations	15
3.4 Resource Estimates	16
<b>4. JURISDICTION OF SETTLEMENT OF DISPUTES ISSUES.</b>	<b>18</b>
4.1 Description of the Recommendation	18
4.2 Work Currently Underway	18
4.1 Implementation Considerations	19
4.3 Resource Estimates	21
<b>5. RECOMMENDATIONS FOR IMPROVING THE ICANN OFFICE OF THE OMBUDS</b>	<b>22</b>
5.1 Description of the Recommendation	22
5.2 Work Currently Underway	23
5.3 Implementation Considerations	23
5.4 Resource Estimates	24
<b>6. RECOMMENDATIONS TO INCREASE SO/AC ACCOUNTABILITY</b>	<b>26</b>
6.1 Description of the Recommendation	26
6.2 Work Currently Underway	27
6.3 Implementation Considerations	27
6.4 Resource Estimates	29
<b>7. RECOMMENDATIONS TO INCREASE STAFF ACCOUNTABILITY</b>	<b>30</b>
7.1 Description of the Recommendation	30
7.2 Work Currently Underway	31
7.3 Implementation Considerations	32
7.4 Resource Estimates	33

<b>8. RECOMMENDATIONS TO IMPROVE ICANN TRANSPARENCY</b>	<b>34</b>
8.1 Description of the Recommendation	34
8.2 Work Currently Underway	35
8.3 Implementation Considerations	36
8.4 Resource Estimates	36
<b>9. CONCLUSION</b>	<b>38</b>

# Introduction

In preparation for the Board’s consideration of the [WS2 Final Report](#) and its recommendations, and at the Board’s request, as noted in the Board’s [14 May 2018](#) letter to the CCWG-Accountability Co-Chair’s, ICANN organization (org) has been asked to prepare an implementation assessment report that includes resource estimates prior to the Board considering the consensus WS2 recommendations.

In the WS2 Final Report, Implementation of Recommendations it was noted that “the implementation of the nearly 100 recommendations contained in the WS2 Final Report is a significant undertaking that will require a detailed implementation plan and will take a number of years to complete.” The Final Report also confirmed:

*Prioritization and funding for implementation of recommendations is beyond the scope and capacity of WS2 and rests with ICANN (Board and Organization) and the community. The CCWG-Accountability-WS2 proposes to establish a small implementation team to assist ICANN (the Organization) and the community to ensure the implementation plan preserves the spirit of the recommendations and provide any interpretation advice as required.*

This report outlines the recommendations, and the considerations for ICANN org, community and Board, where relevant, on the implementation of the recommendation. It also provides an assessment of level of resources for both the initial implementation and ongoing execution of the recommendation. The resource estimates are reflected in a table for each sub-topic using ranges: low, moderate or high and are estimates that may change when the work is prioritized, and implementation commences:

- Low reflects that the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.
- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High reflects that the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

The recommendations should be implemented in accordance with, and as part of, the ICANN planning and budget processes.

This report aims to:

- Inform the community and the Board on the estimated effort to implement the WS2 Final Report recommendations and the considerations for the Org, Board, and community in the implementation.
- Note dependencies with other ICANN org planned projects, policies and programs, and identifies potential synergies, solutions, and conflicts that can be considered in the implementation.

- Focus on the efforts of ICANN org to implement recommendations directed at ICANN org.
- Address the considerations of supporting the community in the implementation of these recommendations but does not address the SO/ACs feasibility to implement those recommendations. This is for community consideration.

There are several recommendations requiring community work. Supporting Organizations and Advisory Committees (SO/AC) implementation plans will need to consider prioritization and timing as resources will need to be allocated.

The implementation of WS2 recommendations will be funded out of ICANN's general Operations fund. Implementation resourcing must be prioritized through guidance provided by the Community, input into the ICANN annual budgeting process, and contributions to ICANN's Five-Year Operating and Financial Plan, taking into consideration an appropriate amount of time to implement, and factoring in other existing, planned, or unplanned activities to ensure all ICANN priorities are aligned with available funding and community bandwidth, and expectations.

During its annual planning process, ICANN estimates its funding and plans for its activities and their costs to not exceed such estimated funding. Currently, most of the estimated funding is allocated to planned activities, leaving a small excess. Accordingly, new recommendations, the implementation of new policies and other new work, requires ICANN to make trade-offs. Planning for the implementation of the WS2 recommendations requires ICANN to consider the impact on resources as part of the operating and budget planning process, so that ICANN org continues to effectively meet community expectations.

While the community's prioritization of staging recommendations for implementation will be facilitated through the budgeting and planning processes, the ICANN Board expects that ICANN org will start implementation on those recommendations provided in WS2 that are possible to move forward without waiting for a budgeting cycle. This includes providing support as available to the ICANN community for those parts of the recommendations that are community driven in implementation. As much as possible, work should begin upon adoption of the recommendations.

There will be regular reporting out on implementation progress through the operational planning process of ICANN and reflected in ICANN's Annual Report.

To note, several of the WS2 recommendations may need ICANN org to undertake a review with regard to data protection and privacy requirements during implementation planning to ensure that the implementation complies with ICANN's then-current legal and regulatory obligations.

Overall, the assessment report reflects that the WS2 recommendations are feasible for implementation, based on the understanding, assumptions, and caveats noted in this report. In some cases, it is noted that the work is already underway.

# 1. Diversity

## 1.1 Description of the Recommendation

As the WS2 Final Report noted in Annex 1, ICANN has made an effort to ensure global diversity at various levels in its staff, community, and Board. Since its inception in 1998, [the ICANN Bylaws](#) mandate diversity among ICANN Board of Directors and some of its constituent bodies to ensure inclusiveness and representation of the global Internet community.

The [WS1 Report](#) reflects that diversity for ICANN as “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 to ensure that the bottom-up, multistakeholder policy development process is used to ascertain the global public interest and that those processes are accountable and transparent.”

The CCWG WS2 noted that diversity within ICANN refers to: “the creation/existence of an inclusive environment in various aspects of stakeholder representation and engagement throughout all levels of the staff, community, and Board.” To achieve this the recommendations proposed three areas of focus for all of ICANN:

- 1) agreement on the elements of diversity;
- 2) measuring and promoting diversity; and
- 3) ongoing support for assessing and reporting on diversity. For each of these aspects, ICANN org, Board, and community have a role.

Recommendation 1.1, the seven key elements of diversity were identified to be used as the common starting point for all diversity considerations within ICANN (the “Diversity Criteria”):

- Geographic/Regional Representation
- Language
- Gender
- Age
- Physical Disability
- Diverse Skills
- Stakeholder Group or Constituency

There is a need to establish a shared understanding of these elements, through an ICANN org-facilitated process with the community, including a Public Comment proceeding, to facilitate uniform data gathering and reporting.

The second group of recommendations focus on measuring and promoting diversity, with emphasis on assessing diversity and based on assessments to define and publish Diversity Criteria objectives and strategies to achieve them. The assessments should be regularly updated against the Diversity Criteria, with an update being carried out annually but not less than every three years.

The third group of recommendations focus on supporting diversity and require ICANN org to provide the relevant support and tools to assess diversity, the development and publishing of processes for diversity-related complaints and issues, and support to capture, analyze and communicate diversity information.

## 1.2 Work Currently Underway

ICANN org produces several reports that capture diversity data, though not all the elements noted in the diversity recommendations have been reflected in those reports:

- ICANN ["By the Numbers" & Technical Data Reports](#) meeting reports
- [Gender Diversity and Participation Survey Report](#) (PRS)
- [Exploring the Public Interest within ICANN's Remit Home](#) Dashboard
- [Capacity Development Community Survey](#) (GSE)
- ICANN [CEO Report](#) contains factors such as geographic distribution, age, and gender balance.

## 1.3 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

General:

A core implementation consideration will be the establishment of a shared understanding of the attributes for each of the diversity elements, with an agreed-upon set of definitions. Community agreement is needed on definitions for elements identified in this recommendation relating to diversity so that data can be captured and reported uniformly across ICANN.

The implementation of the Diversity Recommendations is contingent upon the Board's adoption of a set of definitions for the WS2 Diversity terms so that they can be applied uniformly and consistently across ICANN org and community.

An additional consideration is ensuring that the collection of any information relating to diversity adheres to the law, thus clarity on the legal limitations for collecting or storing personal information, including any obligations or restrictions under the General Data Protection Regulation (GDPR) and other applicable laws will be necessary.

Establishing specific goals or objectives will minimize the risk that ICANN's (org or community) collection and publication of diversity-related data that may run counter to privacy and labor laws in the countries in which ICANN operates.

Additionally, and specifically, there is a need to develop a standard template for diversity data collection and report generation. Consistency and accuracy of data reporting is critical for

representing diversity trends, in particular data provided by SO/ACs/other groups for reporting purposes.

Community guidance is needed to clarify and establish what will be considered sufficient to constitute “reasonable best efforts” to implement the diversity recommendations.

ICANN org will need to determine if there are any opportunities and where to adjust ICANN's current reports to reflect the shared understanding of diversity-related terms once they have been agreed.

ICANN org:

Besides the applicability of this recommendation to ICANN org, additional consideration is needed regarding ICANN org staff support to the respective SO/AC/other groups. Staff support is needed to support each diversity assessment, and to execute on each SO/AC other groups objectives and strategies through tool development and other means as identified by the SO/AC and other group. Reporting on the diversity criteria for each SO/AC/other group will also require ICANN org support. ICANN org support will include general support, and specific support such as legal regarding compliance with existing privacy laws.

For Specific and Organizational Reviews, and Review Teams, the agreed upon elements of diversity will be important to reflect in the composition and work of the Review Team. This is an area ICANN org will need to coordinate with the community.

ICANN org will also be responsible for supporting the Board in its tracking and reporting on diversity.

As it relates to diversity reporting for ICANN org, there are legal limitations based in both privacy and employment laws regarding both the setting of diversity goals and reporting on diversity that could impact ICANN org's implementation. These legal limitations are reflected in the WS2 Report.

ICANN community:

The SO/AC/other groups will need to undertake an initial diversity assessment and from this determine objectives and strategies for achieving their diversity criteria, including reporting out on a regular basis. This work will require significant commitment by the SO/AC/other groups to both conduct the assessment and implement the next steps to meet the requirements of the recommendation. The SO/AC/other groups will need to consider what they wish to revise from current charters and practices in order to support a uniform approach to data collection and reporting across ICANN.

Additional implementation considerations are:

- The inclusion of the agreed upon diversity elements into processes for community work around reviews, recommendations, and/or policy development work (e.g. composition of CCWGs, review teams, policy working groups).

- The development of a SO/AC/other group process for dealing with diversity-related complaints and issues may also be connected to the Ombuds recommendation 5.11 on the Ombuds involvement in any non-complaints work.

ICANN Board:

The ICANN Board will need to undertake a review and then adoption of the uniform definitions for the elements of diversity for this recommendation. As it relates to the Board, consideration will need to be given as to the formal diversity requirements imposed by the Bylaws, such that additional diversity goals taken on through the implementation of this recommendation remain aligned with the Bylaws requirements.

## 1.4 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- Process for development of proposed uniform definitions to be applied for the diversity elements
- Level of support needed by the SO/AC/other groups to review existing charters and guidelines to note areas that need alignment with the adopted diversity definitions
- Level of support required to assist the SO/AC/other groups with diversity data collection and reporting
- Frequency of regular updates to reported diversity data for ICANN org and the SO/AC/other groups
- The need to develop tools and the format for a new central website repository of Diversity information for data collection, aggregation, and reporting, which will need to be coordinated with efforts related to the update to icann.org and integration into any new or existing document management system such as Information Transparency Initiative (ITI) and the Action Request Registry (ARR)
- Privacy compliance review once data has been collected to determine if data to be published is compliant with data protection, privacy, and other legal and regulatory obligations

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. These include:

- Analysis and effort required to aggregate the diversity data from ICANN org and the SO/AC/other groups to publish the Annual Report.
- Legal assessment regarding what diversity data can be released and in what form to be compliant with GDPR, data privacy and other legal and regulatory obligations placed on ICANN.
- Evaluation of the Annual Diversity Reporting requirement to determine if this is a stand-alone report or if the data can just be incorporated into the ICANN Annual Report to reduce the number of reports being published.

- Website development requirements and frequency of site updates and changes, including consideration for Website general maintenance and support.
- Establishing requirements and scope for new tool development for data collection and reporting, testing and trials to ensure functionality aligns with needs and scope identified.
- Level of assistance needed by the SO/AC/other groups may impact existing workload, could result in a bandwidth issue where additional staff or contractors will need to be hired, and trained before effectively providing support for data collection and reporting.

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
HR	Moderate	Moderate	Low to Moderate	Moderate
Public Responsibility Support (PRS)	High	High	Moderate	Moderate
Policy	High	High	Moderate	Moderate
Legal	Moderate	Moderate	Moderate	Moderate
Communications	Moderate	High	Moderate	High
GDD	Low	Low	Low	Low
IT	Low	Low	Low	Low
Finance	Low	Moderate	Moderate	Moderate
Operations	Moderate	Moderate	Moderate	Moderate
MSSI (Reviews)	Moderate	Moderate	Moderate	Moderate
Ombuds				

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.
- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

It is estimated given these factors and the implementation considerations that it will take between six months and eighteen months to implement this recommendation after the uniform definition for the diversity elements has been finalized.

Resource requirements and cost impacts for supporting the work are contingent upon shared understanding, and Board adoption of the uniform definitions for the Diversity elements.

Additional consideration will depend on the development by the SO/AC/other groups of requirements and scope of work for what they wish to undertake to adopt the Diversity recommendations. ICANN org support resources and costs will be determined once guidance on the community needs has been prepared.

Initial cost and resource estimates for ICANN org to implement the Diversity recommendations does not consider prioritization or possible impacts with other planned and on-going ICANN projects.

## **2. Guidelines for Standards of Conduct Presumed to be in Good Faith Associated with Exercising Removal of Individual ICANN Board Directors (Guidelines for Good Faith)**

### **2.1 Description of the Recommendation**

This recommendation addresses the establishment of guidelines for the ICANN Empowered Community, through its [Decisional Participants](#), to exercise the power of removal of individual ICANN Board Directors. These guidelines would apply whether the Director was appointed by a SO/AC or the ICANN Nominating Committee. The ICANN Empowered Community, is defined in ICANN's Bylaws as comprised of all of [ICANN's Supporting Organizations \(SOs\)](#) plus the At-Large [Advisory Committee \(ALAC\)](#) and the Governmental [Advisory Committee \(GAC\)](#). In the event that the Empowered Community, or any part thereof, initiates an attempt to remove a Board Member, and an individual participating in that process later is the subject of a legal challenge for his/her conduct during the removal process, [Article 20](#), Section 20.2 of the ICANN Bylaws provides that ICANN will indemnify that individual for expenses in defending against that legal challenge, so long as the individual acted in good faith and in a manner that was reasonably believed to be in ICANN's best interest.

The "Good Faith" recommendations propose best practices and guidelines for conduct that would be considered good-faith actions on the part of the individuals participating on behalf of the Decisional Participants in order for the ICANN Bylaws [Article 20](#) indemnification to apply.

### **2.2 Work Currently Underway**

The individual Decisional Participants in the Empowered Community are reviewing their internal processes to ensure that the necessary procedures are in place to address any new actions and obligations that may arise with the exercise of Empowered Community powers, such as those related to these recommendations.

## 2.3 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

### General:

The Guidelines for Good Faith Conduct are an important facet of full implementation of the [WS1 recommendations](#) regarding the Empowered Community. It is the responsibility of each Decisional Participant, and the individuals participating within those processes, to remain aware of and act in accordance with those Guidelines when participating in Board removal processes. This is important not just to assure the availability of indemnification, if such a need were to ever arise, but to provide standards of conduct that will better assure that all participants in removal processes are acting with integrity.

Full implementation of the guidelines for standards of conduct is reliant upon each the Decisional Participants further developing their internal processes to better embrace and reference these guidelines. While work has begun on this, further community work will assist in clarifying the impact on ICANN org resources both in the conduct of the work and the implementation.

### ICANN Org:

The work of the community in developing or refining processes requires ICANN org support. The level of support required will depend on the expected timing, amount of work, and level of coordination amongst the individual Decisional Participants in the Empowered Community in how they choose to implement these recommendations. ICANN org will support implementation efforts as directed.

Additionally, the CCWG-WS2 also recommended that these guidelines for individuals acting in “Good Faith” should be considered for incorporation into the Expected Standards of Good Behavior once they are adopted. ICANN org is prepared to consider how to propose updates that would take these recommendations into account in the Expected Standards of Behavior and prepare those for Public Comment.

### ICANN Community:

As noted above, implementation of the recommendation includes a responsibility for each Decisional Participant in the Empowered Community to review their processes to confirm the guidelines are appropriately reflected.

### ICANN Board:

No specific considerations noted.

## 2.4 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- SO/AC/other groups individual process to incorporate the guidelines and the level of ICANN org support needed to review and prepare materials
- Estimated level of effort required to support the development of a standard framework to raise the issue of Board removal by each SO and AC
- The process to implement this recommendation and guidelines as a community Best Practice

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. These include:

- Aggregated level of support needed by the SO/AC/other groups to implement all WS2 recommendation will impact staff workload resulting in the need for additional staff and or contractors to support SO/AC implementation efforts
- Website changes and updates

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
Policy (Support)	Moderate to High	Moderate	Low to Moderate	Moderate
Legal	Moderate	Moderate	Moderate	Moderate

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.
- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

It is estimated given these factors that it will take between six months and twelve months to support the implementation of this recommendation after the SO/AC/other groups have determined their requirements.

The recommendations on this topic are focused on SO/AC/other group efforts and do not require an independent implementation effort from ICANN org. It is anticipated, however, that ICANN org resources will be needed by the Community to support the implementation of these recommendations.

The actual timing, scope, and duration of the implementation will have to be determined by the Decisional Participants in the Empowered Community. Once this has been decided, ICANN org will be in a position to estimate resources and costs to support the SO/AC/other group efforts to implement these recommendations.

### **3. Recommendation for a Framework of Interpretation for Human Rights**

#### **3.1 Description of the Recommendation**

With ICANN’s October 2016 Bylaws change, a Human Rights Core Value was added to ICANN’s [Bylaws](#). For this Bylaw to come into effect, a Framework of Interpretation (FOI) needs to be “approved for submission to the Board by the CCWG-Accountability as a consensus recommendation in Work Stream 2,” as outlined in section 27.2 of ICANN’s Bylaws.

The WS2 FOI provides useful guidance to the applicability of the human rights core value bylaw provision by providing a high-level framework for how the bylaw language should be interpreted and applied to ensure that ICANN accomplishes its Mission consistent with its core values and operates within law applicable to its operations. The recommendation also included considerations that address items listed in the CCWG-WS1 [Annex 12](#), paragraph 24 that provides examples and sources that can be used when considering the human rights core value.

The Board cannot be the sole arbiter of human rights, and there is an obligation across the community to consider human rights as they provide advice and policy recommendations. In this regard, the community will need to establish mechanisms for checking that recommendations, advice, or policies do not violate the core value, or human rights.

#### **3.2 Work Currently Underway**

Community groups are reviewing the FOI and considering how to reflect human rights considerations in their policy development, advisory and operational processes.

Though a separate initiative not tied to the implementation of this WS2 recommendation, ICANN org recently released its [Human Rights Impact Assessment](#) report, that assesses, and captures the human rights impacts of ICANN org's daily operations, and some of the effort to implement those recommendations within ICANN org will apply to the WS2 FOI implementation efforts. ICANN org is preparing an assessment to consider the implications of the human rights requirements in its work to assist in implementation planning efforts.

### 3.3 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

General:

The implementation of this recommendation will need to take into consideration any changes that may be needed to existing practices among ICANN community, ICANN org and Board.

ICANN Org:

Within ICANN org, these recommendations are incorporated into ICANN's work as an organization. Independent of the FOI, ICANN org has conducted a [human rights impact](#) assessment on its daily operations and published the report and findings 15 May 2019.

Regarding the recommendations themselves and the FOI, ICANN org manages its work in the public interest, with core values in all aspects of its work, and human rights now included as an additional element. In this regard, there may need to be slight adjustments to practices with the addition of human rights to the core values.

To the extent adjustments need to be made, there may be a need practices to be developed to document how ICANN balances the core value of respecting human rights amongst and against the other core values when developing corporate or operational policies and executing its operations.

The incorporation of the FOI into Community processes and procedures, and assessment that there is adherence to core values now including human rights, applies not only to policies developed by the Community but also to advice, CCWG recommendations and Review Recommendations. Depending on the approach by the SO/AC/other groups in considering and applying the human rights core value into their work, and the determination of a need for a SO/AC/other group human rights impact assessment tool, ICANN org support and additional resources may be required to support the Communities work.

ICANN Community:

When considering community-developed recommendations, the ICANN community will need to factor in human rights considerations as part its work on policies and recommendations. While the ICANN Board has an obligation to consider human rights as part of the core values in taking any decisions on policies and recommendations, the community carries the responsibility to factor human rights considerations into their work and to have the community-vetted view of these issues as part of the inputs in front of the Board.

To do this, the ICANN community will need to establish clear processes and procedures in their policy and recommendation work (policy development, Review and CCWG recommendations) to demonstrate that human rights have been considered (through the lens of the FOI) as part of the work. It will be a key responsibility of the community to demonstrate that policies and recommendations sent to the Board for consideration and adoption have factored in the FOI.

ICANN Board:

The ICANN Board in its review and adoption of polices and recommendations will factor in the FOI and whether adequate consideration has been included. Additionally, the Board deliberations will incorporate the human rights core value as part of the Board’s consideration of how the commitments and core values are met through the Board’s actions.

### 3.4 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- Development of a process and tools to support the policy-making processes that ICANN org facilitates, so that policy development considers human rights.
- Assessment of ICANN processes for changes and enhancements so that the human rights core value can be incorporated into operational processes.
- The frequency for ICANN org human rights impact assessments.
- Need for determination and frequency of SO/AC/other groups human rights impact assessments.
- Data management for all the human rights impact assessments being conducted.
- Changes to ICANN Board processes to ensure that all recommendations presented for consideration have taken into account the FOI.

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. These include:

- Development of SO/AC/other groups human rights impact assessments
- Changes to organizational procedures to incorporate the human rights core value
- Consideration of possible new tools or website modifications required to support the implementation
- The potential level of support needed by the SO/AC/other groups for process modifications to include the human rights core value in policy development

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
Policy	High	Moderate	High	Moderate
Public Responsibility Support (PRS)	High	Moderate	High	Moderate
Legal	Moderate	Moderate	Moderate	Moderate
HR	Moderate	Moderate	Low	Moderate
Operations	Moderate	Moderate	Moderate	Moderate
MSSI (Reviews)	Moderate	Moderate	Moderate	Moderate

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.
- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

It is estimated given these factors that it will take over twelve months to implement this recommendation.

ICANN org will need resources and budget to cover revising organizational processes to include consideration of the FOI as part of on-going organizational efficacy and operational decision-making processes, when evaluating all commitments or core values. Costs will be incurred should ICANN org need to conduct additional human rights impact assessments in the future. The demand and frequency of these assessments will need to be determined to estimate resources and costs for the organizational evaluation.

Resources will need to be allocated for ICANN org support once the SO/AC/other groups determine how they will implement the FOI into their processes and whether they will conduct their own human rights impact assessments. New Community support tools may need to be developed depending on the scope and requirements established for human rights considerations as part of the SO/AC/other group policy development process.

There will also be resource impacts to support the SO/AC/other groups work to include, as appropriate, human rights considerations as part of presenting recommendations to the Board.

Resource requirements and cost impacts for supporting the work are contingent upon the scope of work, tools required, and the impact to operations to include human rights considerations as appropriate within work efforts.

Initial cost and resource estimates for ICANN org to implement the human rights recommendation do not consider prioritization of possible impacts with other planned and on-going projects such as the implementation of recommendations from the Specific Reviews (e.g. CCT, RDS, SSR2) or other community policy development work (e.g. such as the work on the Temporary Specification for gTLD Registration Data).

## **4. Jurisdiction of settlement of disputes issues.**

### **4.1 Description of the Recommendation**

This recommendation builds on elements noted in CCWG-WS1 [Recommendation 12](#) “Committing to Further Accountability Work in Work Stream 2”, which proposes that further enhancements be made to addressing jurisdiction-related questions as part of WS2, namely: “Can ICANN’s accountability be enhanced depending on the laws applicable to its actions?”

The WS2 recommendations for this topic considered the direction provided by WS1 and aligned the work into three main categories:

- Recommendations relating to the impact of sanctions imposed through the U.S. Office of Foreign Assets Controls (OFAC) and related sanctions issues.
- Recommendations relating to Choice of Law and Choice of Venue provisions in ICANN Agreements.
- Recommendation of seeking a “general license” from OFAC to cover ICANN’s main work, including managing the DNS, supporting travelers, entering contracts, etc.

Recommendations relating to the impact of OFAC sanctions propose modifications to documentation in ICANN’s application process for Registrar Accreditation, communications with impacted applicants, providing information to ICANN’s accredited registrars on adherence to applicable laws, and also modifications to the forthcoming documentation for applying for new generic top-level domains.

Recommendations relating to Choice of Law and Choice of Venue provisions in ICANN Agreements propose amendments to the Registrar Accreditation and Registry Agreements.

### **4.2 Work Currently Underway**

ICANN org currently works with the registry and registrar applicants regarding their applications and keeps applicants apprised if trade-regulation sanctions issues are identified in processing the applications. As contemplated in the recommendation, so long as the person or entity is not on the Specially Designated Nationals (SDN) list, ICANN org already seeks licenses to do business with those persons or entities as necessary under law. ICANN’s work in seeking licenses also

extends to the other parts of ICANN’s operations. For example, when necessary, ICANN has and will continue to seek licenses for DNS management efforts and supporting travelers, subject to the same restriction that the person or entity not be on the SDN list. The number of individual licenses that ICANN has had to seek over the past few years, across all areas of operation, is under 10.

The GNSO Council has an ongoing policy development process on the Subsequent Procedures for New gTLDs, which will frame the policy recommendations for future rounds of New gTLDs. Some of the recommendations regarding impacts on gTLD registry applicants, including potential changes to the base Registry Agreement, might be impacted by that policy development work.

As WS2 Recommendation 4.2 notes “The sub-group understands that it cannot require ICANN to make amendments to the RA or the RAA. Rather, this recommendation suggests possible changes to the RA and RAA for study and consideration by ICANN the organization, the GNSO, and the contracted parties.” ICANN org stands ready to enter into discussions and commits to making sure that the recommended topics of negotiation remain among the topics to be negotiated. ICANN org coordinates with the contracted parties regarding the scope of negotiations, and ICANN org will raise this item for the next feasible round of negotiations. ICANN org appreciates that there may be other amendment discussions underway, and will factor this recommendation into those discussions.

## 4.1 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

General:

No specific considerations noted.

ICANN Org:

Because of the level of ongoing work on this issue, some of the recommendations are neither difficult nor costly to implement. However, there are two areas where resource needs could be intensive:

1. The general license or developing other alternative options on compliance with applicable laws; and
2. Contractual amendments to the base Registry Agreement and model Registrar Accreditation Agreement.

As ICANN org noted during recommendation 4.1.4 development, there is no application process to request a general license; a general license requires a change in regulation by the U.S.

Department of the Treasury or a change in legislation. “Licenses” of this scope are typically not developed for a single entity. The potential effort in seeking such a regulatory or legislative action could risk ICANN’s not-for-profit status, in that there are limits imposed on the resources that ICANN may devote to lobbying activities. Further, there is no guarantee of success from any such lobbying effort or expense. These issues will be more fully laid out in the feasibility study requested in the WS2 report.

ICANN is committed to implementing the recommendation and moving forward with the identified study. The results are expected to provide information to the ICANN community, Board and org on the feasibility of moving forward to such action, potential costs, likelihood of success, and, if appropriate, other alternatives that might achieve some of the same goals. The results of this study will be shared with the community for advice on how to proceed. The study may reveal one or more paths to achieving the WS2’s stated outcomes, and then there will be a need to collectively review that study to determine if any of those paths are feasible or appropriate for ICANN.

If the outcomes of the study are such that seeking a general license is not an appropriate use of ICANN resources, ICANN org has previously flagged that the WS2 report contains very general language of seeking alternative options to address this issue, and there is a possibility that if the report itself does not provide suggested alternatives, then ICANN will require additional information as to what the community might see as alternatives, as there are significant legal restrictions on how ICANN may provide support or services to those subject to trade regulation sanctions.

Recommendation 4.2 on Choice of Law and Choice of Venue suggests consideration of an amendment to the Registry agreements and Registrar agreement. As Recommendation 4.2 notes, The CCWG-WS2 cannot require ICANN to make amendments to the RA or the RAA. Rather the recommendation suggests possible changes to the RA and RA for study and consideration by ICANN the organization, the GNSO, and the contracted parties.

- Any changes will need Contracted Party agreement before ICANN org implementation, and therefore, implementation consideration and planning are dependent on contracted parties’ interest in initiating an amendment to the contracts.
- ICANN cannot require the contracted parties to enter into a negotiation, and the recommendation is not recommending the opening of negotiations.
- ICANN org is prepared to engage in these discussions, and will encourage the Contracted Parties to hold this conversation and study, as soon as feasible. If the contracted parties are not ready to move forward at this time on negotiation of the topics within this recommendation, ICANN org will make sure that these items remain on the list of topics for negotiation as soon as feasible. .

ICANN Community:

As the Choice of Law and Venue recommendation would require contractual amendments to the standard form contracts through an amendment procedure (e.g., Arts 7.6-7.7 of the Base RA and Section 6 of the RAA), the contracted parties must agree to engage in that amendment process before any implementation estimates can be determined.

The broader the options that are considered possible by the Contracted Parties, the more resources that will be required to engage in the negotiations as well as to estimate the impact of any outcomes of negotiations. Negotiations could also be resource intensive for the Contracted Parties, as ICANN org cannot provide legal advice to support the Contracted Parties in negotiations. Any changes that reduce the uniformity of contracts applicable to ICANN’s Contracted Parties also have the potential to increase enforcement costs, thereby reducing resources available for other ICANN org efforts in support of the ICANN community.

ICANN Board:

No specific considerations noted.

### 4.3 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- The process to document current ICANN org practices on OFAC licenses for Registrar accreditation
- Requirements for a study to determine the costs and benefits of ICANN org pursuing an OFAC general license

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. These include:

- Expert advice to develop and conduct feasibility study on obtaining a general license
- ICANN org documentation and process development

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
Legal	Low to High	Moderate	Moderate	Moderate
Contract Compliance	Moderate	Moderate	Moderate	Moderate
GDD	Moderate	Moderate	Moderate	Moderate

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.

- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

It is estimated given these factors that it will take from six to twelve months, and implementation timing is also dependent on the outcomes of the feasibility study and identified next steps.

Resource requirements and cost impacts for supporting the work are contingent upon the final scope of work, and any clarification regarding guidance needed to proceed with OFAC related recommendations. In particular, as a more in-depth study of the feasibility for the OFAC general license issue will require third-party resources for which the cost is estimated to be between US\$30-50K.

Specifics on resources and estimated timing to implement and ongoing support for the other portions of these recommendations need to be assessed as part of the priority assigned. Also, these recommendations and the timeline for implementation need to consider the ongoing and future operational commitments for ICANN org.

## **5. Recommendations for Improving the ICANN Office of the Ombuds**

### **5.1 Description of the Recommendation**

In developing this section of the report, the CCWG WS2 relied in large part on an [external review of the office of the Ombuds](#) that was being started in fulfillment of a recommendation from the Accountability and Transparency Review (ATRT). The aim of the review was to reflect on the extent to which the Office of the Ombuds is currently serving the needs of the ICANN multistakeholder community and to provide recommendations as to the roles, responsibilities, and structure of the Office under the enhanced accountability and transparency framework.

The CCWG WS2 took the resulting recommendations of the external review, evaluated those recommendations, and modified them in part in order to reach the recommendations under consideration today.

The recommendations focus on five areas:

1. Clarity of roles and processes;
2. Standing and authority of the Ombuds;
3. Strengthening the independence of the office;
4. Strengthening the transparency of the office;

5. Clarity for when the Ombuds should get involved in items that are not yet deemed within the jurisdiction of the office.

The recommendations are “cascading” in nature. For example, the first recommendation is that the Ombuds’ office should “have a more strategic focus”, with enhanced procedures and documentation to accompany that focus. Only once that focus is agreed should ICANN develop a plan to “relaunch” the office. The recommendations about training and contracting and reporting similarly seem to be premised on the re-launched nature of the office (while taking interim steps towards meeting the spirit of the recommendations along the way).

The recommendation 5.8 on the Ombuds Advisory Panel is modified by the Implementation Guidance found at Annex 9 of the Report, which scopes the role of the Advisory Panel to align with the Board’s fiduciary obligations and to further enhance the independence and confidentiality of the Ombuds when dealing with this Panel, once comprised.

## 5.2 Work Currently Underway

The Ombuds office serves the ICANN community as bounded by the ICANN Bylaws and by the [Ombudsman Framework](#). The Ombuds currently provides [Annual Reports](#) on activities, and the [Ombuds website](#) provides additional information on activities related to its focus.

Work has already occurred to meet some of the Ombuds recommendations. For example, the Office of the Ombuds recently made strides towards enhancement of diversity through the appointment of an Adjunct Ombuds that brings gender diversity to the office.

## 5.3 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

General:

No specific considerations noted.

ICANN Org:

The Ombuds is appointed by and reports to the ICANN Board of Directors. In that way, the Ombuds is not a traditional part of the ICANN org, but will have implementation responsibilities that are separate from the Board or the community.

ICANN org will also have implementation responsibilities to support the refocusing of the Ombuds role, from supporting the Board, to supporting research and development. Though the CCWG WS2 noted that it did not believe that Bylaws would need to be updated to support a new vision of the Ombuds office, initial assessments indicate that strategic changes to the Ombuds

focus, as well as changes in contracting that are contemplated in recommendations 5.8 and 5.9 are likely to require Bylaws changes.

ICANN org should work closely with the Board and Ombuds to make sure there is an appropriate division of responsibility in implementation of the recommendations, while respecting the independence of the Ombuds for work on investigations and dispute resolution.

The scope of effort required for some of the follow-on recommendations is difficult to determine at this time, such as the communications plan or the reporting of new metrics or generation of different reports are dependent in large part on the approach determined in the Strategic Plan.

ICANN Community:

The ICANN community has a specific role in implementation, as Recommendation 5.4 obligates timeframes for participation in Ombuds investigations. The ICANN community will also have to consider the issues as laid out in Recommendation 5.11 regarding requests for expansion of the Ombuds involvement in areas outside of current jurisdiction/authority. While the Ombuds provides an important service to the ICANN community, attempts to widen the Ombuds' authority or jurisdiction could impact other areas where the Ombuds is expected to act on the same issue.

ICANN Board:

The Board, as the entity responsible for the Ombuds appointment and engagement, is expected to have more activity in terms of the implementation of these recommendations as opposed to the others in the report. The Board will need to confirm the strategic view of the Ombuds and manage its oversight of the Ombuds to any new responsibilities that might arise through this implementation.

The Board will direct ICANN org to consider this input as well as the implementation guidance from the [WS2 Final Report](#), Annex 9 in its development of the implementation plan for all of the Ombuds recommendations, and to identify if it is feasible for the Advisory Panel work to be planned for parallel implementation work along with the other Ombuds-related recommendations.

As the Ombuds reports to the Board, the Board will work with the Ombuds on the implementation planning and priority for the recommendations that fall to the Office of the Ombuds, using org support as needed.

## 5.4 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- Clarifying what having a more strategic focus means for the Ombuds, once clarification is obtained on how this recommendation is to be achieved, implementing this recommendation may require updating the Ombuds Framework and other materials.
- Documenting what is needed to strengthen the role of the Ombuds.
- As the Ombuds reports to the ICANN Board, any changes to the responsibilities of the Ombuds are for the Board to approve and to have implemented.
- Support from ICANN org may be needed to assist the Ombuds in annual operational planning and budgeting.
- Consideration of the number of reports currently produced by the Ombuds and whether the additional reporting obligations in these recommendations can be incorporated into the Ombuds Annual Report to consolidate effort.
- Establishment of timeframes for responses to Ombuds requests needs to consider current response times and if they are sufficient to support the information requested, and the level of detail required.
- Requirements to revise the Ombuds website to align with additional reporting obligations
- Development of a communication and business plan for the Office of the Ombuds.
- Establishment of the Ombuds Advisory Panel, selection of qualified members, and documenting operational guidelines.

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. These include:

- Cost for Ombuds training.
- Possible decision to add staff or contractors to the Office of the Ombuds to support diversity.
- Ombuds Advisory Panel requirements and costs to maintain.
- Possible expansion of the role and the Office of the Ombuds, in particular for involvement in work outside of the current jurisdiction.
- Revisions to the Ombuds Framework.

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
Ombuds	Low to High	Undetermined at this time	Low to High	Undetermined at this time
ICANN Board	Moderate	Undetermined at this time	Moderate	Undetermined at this time
Board Operations	Moderate	Undetermined at this time	Moderate	Undetermined at this time
Communications	Moderate	Undetermined at this time	Low	Undetermined at this time

HR	Moderate	Undetermined at this time	Low	Undetermined at this time
Legal	Moderate	Undetermined at this time	Moderate	Undetermined at this time
IT	Low	Undetermined at this time	Low	Undetermined at this time
Complaints Office	Low	Undetermined at this time	Low	Undetermined at this time

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.
- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

It is estimated given these factors that it will take over twelve months to implement this recommendation.

The Ombuds needs to inform the Board of any additional resource requirements and estimated costs to perform the data collection, and annual reporting noted in these recommendations.

Support for other Ombuds commitments will need to be factored into the timing of implementation as they could incur ongoing operational responsibilities for ICANN org.

Specifics on resources and estimated timing to implement and ongoing support for the other portions of these recommendations need to be factored into the priority assigned and the timeline for implementation as they will incur ongoing operational commitments for ICANN org.

## **6. Recommendations to Increase SO/AC Accountability**

### **6.1 Description of the Recommendation**

The Recommendations to increase SO/AC Accountability aim to address SO/AC Accountability, including but not limited to “improved processes for accountability, transparency, and participation that are helpful to prevent capture.” (ICANN Bylaws Section 27.1 (iii))

The recommendations are divided into the following areas: accountability, transparency, participation, outreach, and updates to policies and procedures. With regards to each area,

SO/AC/other groups have the opportunity, and expectation, to evaluate, strengthen, and provide transparency to their processes and procedures.

For recommendations on accountability, SO/AC/other groups should ensure documentation and transparency of decision making and other procedures and make those part of any of their relevant operating documents. Brief reports should be provided on what efforts are undertaken to improve accountability, transparency and participation, and outline improvements where needed. Additionally, links to policies, procedures, documented practices should be published and available on ICANN's website under accountability.

The recommendations on transparency focus on transparency of the operations, membership, correspondence and communications of SO/AC/other groups, unless involving confidential matters. This includes transparency of governance and guiding documents of a SO/AC/other group, including Charter and operating guidelines. These will need to be regularly updated and displayed on a public webpage. The recommendations also apply transparency to the listing of membership and leadership of a SO/AC/other group on a public webpage, and publicly available meeting records.

The recommendations on participation build on the above and include ensuring clear rules for eligibility, criteria, application processes for SO/AC/other group membership and making those publicly available. Leadership term limits are recommended, as are publicly visible mailing lists.

The recommendations on outreach focus on communications and resources that are publicly available to benefit eligible participants to become members, and a strategy to reach Communities that may not be adequately participating.

Complementing the above, the recommendations on updates to policies and procedure recommend SO/AC/other groups review policies and procedures regularly in a timely manner to and make any necessary changes identified.

The recommendations specifically note that the Mutual Accountability Roundtable not be implemented, nor should the IRP be applied to SO/AC/other group activities.

These recommendations are directed at the SO/AC/other groups as best practices to consider implementing.

## 6.2 Work Currently Underway

A more detailed inventory of the work that is currently being undertaken across and within the ICANN community structures will need to be conducted to assess the extent to which any additional work may be required to support the implementation of these recommendations.

## 6.3 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that

will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

#### General:

This recommendation is important to ICANN's overall transparency and accountability. There is an expectation that the community will implement these recommendations, using the opportunity to embrace any additional improvements to benefit ICANN's overall work and decision-making processes, and to mitigate against any risks of capture.

While the majority of the work lies with the community and the respective SO/ACs/other groups, ICANN org will support the work as needed. With regards to ICANN's Bylaws, and the Organizational Reviews, there is an opportunity to include within those periodic Organizational Reviews an assessment of the Guidelines for Good Faith, good practices implementation for the SO/AC/other groups and how these recommendations are implemented.

#### ICANN Org:

No significant issues have been identified with ICANN org supporting the SO/AC/other groups in the implementation of the recommendations. However, implementation could incur substantial ICANN org resources requiring prioritization to meet each SO/AC/other groups support needs when combined with the support required for the SO/AC/other groups to consider and implement other WS2 recommendations.

#### ICANN Community:

While these recommendations are suggestions of best practice improvements for the SO/AC/other groups, its implementation is important to the overarching accountability and transparency of ICANN. Implementation of the recommendation is the responsibility of each SO/AC/other group, focusing on an assessment of and improvements to relevant practices highlighted in the recommendations. Implementation of the recommendations will require community commitment and time, supported as needed by ICANN org.

To this extent there will be a need for community prioritization of this work, the scope, and identification of any resources needed to support the work.

#### ICANN Board:

The Board recognizes that this recommendation applies to the SO/AC/other groups. To the extent community policies and recommendations are provided to the Board, SO/AC/other groups this recommendation serves as an important part of the community's work to prevent capture or inability for participation.

For the Bylaws-mandated Organizational Reviews, the Board through the Organizational Effectiveness Committee (OEC), has the opportunity to ask the independent examiners to assess the extent of the implementation of the recommendations, through the conduct of each review.

## 6.4 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- Should any of the SO/AC/other groups elect to implement any or all of these recommendations, ICANN org staff will be required to support those individual implementation efforts.
- Revisions to webpages and reports to incorporate changes and to post information.
- Modifications to for the scope of the periodic Organizational Reviews may be needed to include an assessment of the implementation of these recommendations.

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. This includes:

- Workload and level of support required by the SO/AC/other groups to implement all WS2 recommendations may necessitate additional staff or contractors to support the effort.
- Webpage development

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
Policy (Support)	Moderate to High pending scope of work	Undetermined at this time	Expected to be Moderate pending scope of work	Undetermined at this time
Legal	Low	Low	Low	Low
MSSI (Reviews)	Low	Low	Low	Low

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.
- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

Estimates for implementation timing are dependent on each SO/AC/other group decision as to requirements and scope of work. ICANN org support and resources for the implementation will be estimated once the requirements and scope of work are completed.

As the extent of implementation will depend on the decision of each SO/AC/other group, ICANN org will be better positioned to determine the impact once each SO/AC/other group has defined whether or not, and the extent to which, to implement the recommendations. The SO/AC/other groups will need to identify their priority levels, expected timing, and scope of the implementation for resource needs and cost estimates to be determined.

Additional staff may be required depending on the workload and requirements to support all the SO/AC/other group support needs to affect the implementation of these recommendations as well as other WS2 recommendations. Also, resources and costs will need to be factored into the prioritization of this recommendation. Consideration also needs to be given to possible impacts with other planned and on-going projects such as the implementation of recommendations from the Specific Reviews (e.g., CCT, RDS, SSR2) or other community policy developments (e.g., such as the work on the Temporary Specification for gTLD Registration Data) on the overall budget.

## **7. Recommendations to Increase Staff Accountability**

### **7.1 Description of the Recommendation**

The Sub-group focused on assessing “staff accountability” and performance at the service delivery, departmental, or organizational level, and not at the individual, personnel level.

The recommendations under this section address improving visibility and transparency of ICANN org’s staff accountability mechanisms, including through posting in one location on the ICANN website of relevant information on a range of areas including performance management systems, departmental goals, organization policies, and ensure communication mechanisms to further increase awareness and understanding of existing and new accountability mechanisms.

Additionally, the recommendations propose mechanisms to address concerns between community members and staff members regarding accountability or behavior, and for ICANN org to enhance existing staff accountability mechanisms to include better ascertaining overall performance and appropriate accountability to relevant stakeholders.

With regard to ICANN org services, the recommendations include establishing service level targets that clearly define the services provided by ICANN to the community.

## 7.2 Work Currently Underway

For these recommendations, ICANN org has already undertaken significant work on transparency to policies and procedures, reporting on ICANN org activities and service to the community.

ICANN org currently conducts and supports accountability surveys on topics such as [Gender Diversity and Participation](#), [Age Diversity and Participation](#), and [Capacity Development](#). Other surveys include post-participation and alumni program surveys, the recent ATRT3 [Accountability and Transparency Review](#) survey for accountability feedback, and the [IANA Functions Customer](#) survey. Community consultations are also important data-collecting processes (e.g., [Fellowship](#) and [NextGen](#) consultations) wherein community groups participate in the consultation survey and provide feedback on the program.

Publicly available policies include:

- [Anonymous Hotline](#)
- [Confidentiality](#)
- [Conflict of Interest](#)
- [Employee Conduct & Work Rules](#)
- [Equal Employment](#)
- [Fraud](#)
- [Open Door](#)
- [Outside Business Interest](#)
- [Prohibition of Workplace Harassment](#)
- [Information Security](#)
- [Board Code of Conduct](#)
- [Privacy Policy](#)

For Recommendation 7.1.1.3 on a description of the Complaints Office and how it relates to the Ombuds Office was noted in a [May 2017 blog](#), where the roles between the Complaints Officer and the Ombuds Office were clarified. In addition, the Complaints Officer already produces and publishes reports that can be found at <https://www.icann.org/complaints-report> listing complaints and resolutions that fall within its remit.

Additionally, over the years, further information is being provided frequently on departmental and organizational level performance:

- ICANN [Annual Report, including the incorporation of the Transparency Report](#)
- ICANN [Organization Reports to the Board](#)
- ICANN [Presidents Corner](#)
- [ATRT Review](#)
- [GDD Satisfaction Survey](#) (transaction-based) could add more detail to address this recommendation
- [Action Request Register](#) (ARR)
- [Complaints Office Report](#)
- Contractual Compliance [Performance Reports](#)

- [Capacity Development Community Survey](#)

## 7.3 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

General:

Overall, on the publication of policies and procedures, much work has occurred and continues. Additionally, clarity on processes and procedures, engagement with and responsiveness to the community continue to be reported on (including through the CEO report) on regular basis.

ICANN Org:

Regarding the recommendations themselves, for recommendation, 7.2.1.1 regarding a regular information acquisition mechanism, ICANN org undertakes a range of mechanisms to gather feedback including surveys. Following opportunities to assess the impact of these mechanisms, additional consultation methods to gather feedback can be considered to capture and measure community satisfaction and engagement, including systematizing data gathering to support a more agile and responsive approach for collecting community feedback.

- As part of any additional approaches, legal and data privacy requirements need to be identified before any results can be reported to relevant stakeholders.
- ICANN org will work on any additional approaches, and timing of them, with the community to continue to address the intent of this recommendation. As this recommendation notes that newly-created mechanisms should first be evaluated before creating additional tools to measure and evaluate staff accountability.

Regarding the recommendations on developing and publishing service level targets and guidelines, ICANN org will provide a summary of where current ICANN org tracking of services exist, and then work with the community on identification of any additional Service Level Agreements (SLAs ) and the measurements that should be applied.

ICANN Community:

The establishment of additional service level targets where applicable, working with the community to identify and develop clear areas, prioritization, and guidelines, will require attention both for ICANN org and the community.

Consideration also needs to be given to other ICANN priorities against an effort which will require commitments from ICANN org and community to address a problem with undetermined veracity or importance.

ICANN Board:

In its role as the Board, the progress on the implementation of this recommendation is reported to the Board, through the CEO. The [delegation of authority document](#) also provides clarity on the role of the Board and ICANN org.

There are several items that require clarification such as the need to define data for the collection process and preferred approach before the mechanisms can be developed for implementation planning.

## 7.4 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- Review of how ICANN org sets function and staff goals to support ICANN’s Mission, Budget, 5-year Operational Plan, and the Strategic Plan.
- Review of staff policies and materials that are already available to comply with these recommendations.
- Consideration and development of a community Satisfaction Survey to measure the satisfaction level of the community with ICANN services.
- Requires clarification as to the expectations for the delivery of services and identification of what new processes need an SLA than those that ICANN org already has in place.

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. These include:

- Depending on the scope and requirements for identified new SLAs, the expanded scope of services identified could create an additional cost and resource burden to monitor and report on these targets for the functions involved.
- Establishing a process, frequency and conducting a community Satisfaction Survey.

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
HR	Moderate to High	High	Moderate to High	Moderate
Comms	Moderate	Moderate	Moderate	Moderate
Policy	Moderate	Moderate	Moderate	Moderate
GDD	Low	Low	Low	Low
GE	Moderate	Moderate	Moderate	Moderate
Operations	Moderate	Moderate	Moderate	Moderate

Complaints Office	Low	Low	Low	Low
Ombuds Office	Low	Low	Low	Low
MSSI (Reviews)	Low	Low	Low	Low

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.
- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

It is estimated given these factors that it will take between six months and eighteen months and require a review of applicable data protection and privacy laws and regulation in the countries that ICANN operates for guidance as to the feasibility and scope of revisions to ICANN org processes and policies needed to implement this recommendation.

Resources will be required to support several of the recommendations in an ongoing capacity. These ongoing commitments will need to be factored into the timing of implementation as they will incur continuing operational obligations for ICANN org impacting staff workload.

Initial cost and resource estimates for ICANN org to implement the Staff Accountability recommendations do not consider prioritization or possible budget impacts with other planned and on-going projects such as the implementation of recommendations from the Specific Reviews (e.g. CCT, RDS, SSR2) or other community policy developments (e.g. such as the work on the Temporary Specification for gTLD Registration Data), which will need to be allocated budget and resources depending on priority assigned to all collective recommendations posed for implementation.

## 8. Recommendations to Improve ICANN Transparency

### 8.1 Description of the Recommendation

The CCWG-ACCT WS2 made recommendations to improve ICANN’s transparency in four areas:

1. Improving ICANN’s Documentary Information Disclosure Policy (DIDP)
2. Documenting and Reporting on ICANN’s Interactions with Governments
3. Improving Transparency of Board Deliberations
4. Improving ICANN’s Anonymous Hotline (Whistleblower Protection)

The recommendations on the DIDP focus both on updating the DIDP with specific modifications, as well as procedural enhancements or documenting of how ICANN responds to DIDP requests. In addition, this set of recommendations (as modified through implementation guidance set out at Annex 9 of the report) includes proactive disclosure of information on high-value contracts held by ICANN, as well as a requirement to regularly review the DIDP.

The recommendations on documenting interactions with governments, focused on new reporting requirements, were modified by implementation guidance that reflects consistency with the DIDP in understanding the scope of the recommendation, the availability of reporting on bilateral conversations, and the production of an annual Government Engagement Strategy.

The recommendations on transparency of board deliberations focus on the types of information that the community should expect to see available about board deliberations and how information that was redacted from Board materials should be reviewed for release at a later time. Implementation Guidance from Annex 9 of the WS2 Final Report modified the implementation of these recommendations in affirming that current practice meets part of the recommendations and requiring a redaction log to be produced and reviewed on a regular basis.

The recommendations on improving ICANN's Anonymous Hotline considered and adopted, nearly in whole, the recommendations arising out of the third-party review of ICANN's Anonymous Hotline commissioned in implementation of a recommendation out of ATRT2. WS2 also recommended public access to the policy for community information, as well as an audit of the hotline every two years.

## 8.2 Work Currently Underway

The operation of the DIDP already takes into account many of the improvements that the CCWG WS2 recommended for documentation and implementation. For example, ICANN org already provides narrative responses to DIDP requests, including reference to information already publicly available. If a portion of a request seeks information not available through the DIDP, ICANN org still responds to that portion as well as all other portions of the request.

ICANN org annually discloses all Contractors with which it spent \$1,000,000 or more for the fiscal year, as opposed to disclosing only the top five vendors as required for compliance with U.S. tax code.

The following reports provide information related to these recommendations:

- On ICANN's relationship with governments, ICANN org's [Charter on Government Engagement Approach](#)
- See ICANN [Lobbying Disclosures & Contribution Reports](#)
- ICANN org's [CEO](#) and [GSE/GE](#) Public Reports
- ICANN [Legislative and Regulatory Reports](#)

On the Anonymous Hotline, ICANN org has already implemented much of the NAVEX

recommendations, and is preparing for a further launch of the hotline for access by ICANN's business vendors.

On Board deliberations, ICANN already produces and posts resolutions, minutes and briefing materials.

### 8.3 Implementation Considerations

This section is divided into four categories: General, ICANN org, ICANN community and ICANN Board. These categories are used to reflect a particular implementation emphasis that will need to be considered as planning commences. In some cases, issues have been identified that will need to be clarified as implementation moves forward.

General:

Records management and retention practices may impact whether particular documents are available for publication.

ICANN Org:

ICANN org is prepared for the implementation of all facets of these transparency recommendations, as modified by the Implementation Guidance as noted in Annex 9 of the WS2 Final Report. As it relates to the DIDP, the first step is to publish for Public Comment an updated DIDP that reflects the totality of the recommendations, for review as a unified operational policy, as opposed to series of individual recommendations.

ICANN org also has work underway updating and documenting internal practices to better define the types of documents that are expected to exist, and how those documents will be accessed and considered when responding to a DIDP request. Internal processes are also under development for the tracking of the redaction of Board materials, the publication of contractor information, and the development of a Governmental Engagement Strategy.

ICANN Community:

No specific considerations noted.

ICANN Board:

No specific considerations noted.

### 8.4 Resource Estimates

The following table identifies the ICANN org functions involved with the implementation and on-going maintenance of these recommendations.

The factors that were considered to determine the range for the level of effort in the table include:

- The extent of the revisions to DIDP and conducting a public comment proceeding to implement the recommendations.
- Recommendations for the Anonymous Hotline Policy from the Navex report are being implemented; this is being evaluated to determine the extent to which additional efforts may be required for this recommendation.
- An assessment as to the value provided by conducting a third-party audit every two years of ICANN's Hotline Policy as the requirements and scope of work will need to be prepared, and an auditor contracted for against what should be considered practical for a standard operating procedure.
- Identifications of changes to existing ICANN Contracting and Procurement procedures to comply with vendor and supplier reporting requirements for the posting of a register of suppliers consistent with the implementation guidance.

Several dependencies have also been identified that may impact the estimated cost and resource range indicated in the table. These include:

- Implementing changes to the DIDP process through the Public Comment proceeding will require dedicated resources.
- Hiring a third-party vendor to conduct a review of ICANN's Hotline Policy.
- Changes to procurement processes and procedures.
- Website development.
- Report generation and frequency of report production.

<b>ICANN org functions involved with implementation efforts</b>	<b>Initial Implementation Effort</b>	<b>Initial Estimate for Cost Impact to support Implementation</b>	<b>On-going Support and Maintenance Effort</b>	<b>Initial Estimate for Cost Impact for On-going Support and Maintenance</b>
Legal	Moderate to High	High	Moderate	Moderate
Ombuds	Low	Low	Low	Low
Complaints Office	Low	Low	Low	Low
HR	Moderate	Moderate	Moderate	Moderate
IT	Low	Low	Low	Low
Board Ops	Moderate	Moderate	Moderate	Moderate
Communications	Moderate	Moderate	Moderate	Moderate
GE	Moderate	Moderate	Moderate	Moderate
Finance	High	High	Moderate	Moderate

The resource estimates shown reflect:

- Low as the cost, length of time to implement and resource needs is estimated to be minimal and, in some cases, can be absorbed into existing work to implement.

- Moderate reflects that the cost, time to implement and resources may take some time, may need additional staff and additional budget in order to implement depending on existing workload for the functions involved.
- High as the cost, length of time to implement, and resources needed will require additional staff, take a significant amount of dedicated time to implement and will require additional budget to implement.

It is estimated given these factors that it will take between six months and twelve months to implement this recommendation.

While updating the DIDP is not a resource-intensive process, there is an additional effort in responding to DIDP requests that will increase the ongoing operational needs to maintain the DIDP process. The amount of other resources required to support this recommendation is difficult to estimate as it is dependent upon the frequency and complexity of DIDP requests.

Recommendation 8.1.16 Open Contracting will necessitate revising the procurement processes and require additional and on-going resources and staff to support the new reporting requirements.

Recommendation 8.4 for the Anonymous Hotline (Whistleblower Protection) recommendation a 2-year cycle of review may impose costs that are not practical. There are costs and additional resources needed to be developed to select an outside Auditor and content development for posting materials on a website that may not be necessary based on the volume of reported calls, and alignment with industry best practices for the regularity of Reviews may be a more appropriate use of ICANN resources.

## 9. Conclusion

This Implementation Assessment Report evaluates the “general feasibility” to implement the recommendations, assuming available funding and staff resource availability, but does not infer or assert “resource feasibility” to implement the recommendations, as this is part of the implementation integrated with the operating and budget planning process.

In summary there are 77 recommendations that will require implementation by ICANN org that will impact 15 functional departments.

None of the ICANN org recommendations demonstrate any significant concerns regarding feasibility of implementation.

There are 38 recommendations focused on the ICANN community to implement, or review and determine if it is relevant for them to implement (several SO/AC/other group accountability recommendations are considered suggestions and can be addressed at the discretion of each SO/AC/other group). As these recommendations were developed by the community and approved by the Chartering Organizations, this report presumes no feasibility concerns for the recommendations the community would be accountable to implement.

Implementation timing of WS2 Recommendations will be coordinated with existing operating planning cycles, and subject to Public Comment as a part of those efforts. All ICANN Operating Plans are subject to review, and revision based on changes to funding or activity assumptions.

The resource and cost information that has been gathered in this report is based on "stand-alone" estimates and does not reflect factors such as the specific timing, sequencing, or prioritization of implementing these recommendations with other ICANN org or community commitments and recommendations. This assessment is part of the planning process including the Five-Year Operating Plan to balance all current projects and spending recommendations against priorities assigned, resources available, timeline, and other variables.

The estimates and resource needs may change when a more detailed implementation plan is prepared in coordination with and as part of the community's on-going review of the Five-Year Operating Plan, annual budgeting cycles and alignment with the recently adopted ICANN Strategic Plan for Fiscal Years 2021–2025.

As the WS2 Final Report noted the CCWG-Accountability WS2 has convened an Implementation Team. Members of the WS2 Implementation Team are comprised of the Co-Chairs and the rapporteurs from the WS2 sub-groups. The mandate developed for this team by WS2 is to aid ICANN org with recommendations that may require clarification for implementation planning.

Once the WS2 Final Report has been adopted by the Board the proposed WS2 implementation plan will be developed and reflected also as part of the operating planning cycle.

Implementation of WS2 recommendations will be measured and tracked as they are implemented for appropriate status reporting to the community.