BRAD WHITE: These calls are modeled after corporate shareholder calls. We view them as opportunities to inform our global stakeholders of what is happening within the organization, in very factual and straightforward terms. Now in just a few minutes I will turn it over to our CEO Fadi Chehadé who is here with us in Los Angeles along with some of the Global Leadership team.

Fadi will kick things off with a very brief presentation and then introduce some key ICANN executives who will also give brief presentations. Following that, we will take your questions. So if a question comes to mind during the presentations, please jot it down and you can ask it during the Q&A portion at the end.

Now there are two ways to ask a question. One is online where you can post a question in the Q&A box. The other way is to ask your question via phone. Let me note at this point, that while this call is occurring in English, it is being simultaneously translated into five additional languages: French, Arabic, Russian, Spanish, Portuguese and Chinese.

If you are on the phone and you have a question please hit pound three to unmute your phone. Give the conference operator your name, who, if anyone, you are representing, the city and country you are calling from. We will introduce you and you can then ask your question.

If you are on one of the non-English lines, one of our translators will simultaneously interpret your question into English. Please… A couple of final notes. Please be brief, let us know who you want your question directed to, which presenter. This is really not the right time to jump

on a soap box. There are plenty of other ways to express your feelings about any of the issues and initiatives that will be discussed today. We're really far more interested in answering any questions you may have.

There are a lot of people online and on the phone and we want to hear from as many of you as possible in the limited time we have.

We may not get to every question that is raised given the limited time period, but even if we don't get to your question, it will be posted to the ICANN website along with a response.

So with that, allow me to introduce ICANN's President and CEO, Fadi Chehadé.

FADI CHEHADÉ: Thank you Brad. The purpose and rationale of the ICANN Quarterly Stakeholder Call is to provide a predictable and regular window into ICANN's activities, through a fact-based update on progress against our strategic objectives and our mission. This includes ICANN's role as coordinating body for names, numbers, and protocol parameters.

Our fiscal year runs from July 1st to June 30th. This quarterly call will focus on the third quarter of FY 2015, which is January 1st to March 31st. I am encouraged by what everyone here at ICANN is doing, the great progress we are making against the operating plan. So today, I'm going to provide you with a short overview of highlights from this last quarter, covering 6 efforts.

First, strengthening operational performance and excellence. Second, providing clarity around ICANN's Contractual Compliance role and remit. Third, importance of the IANA stewardship transition in the context of maintaining the multistakeholder model by which ICANN operates. Fourth, enhancing ICANN's accountability through a robust suite of consistent review mechanisms. Fifth, what we are doing to more fully enable and support the community. And finally, our focus on immersed participation together with our partners in the Internet governance ecosystem.

We've posted our draft FY16 Operating Plan and Budget for public comments, which will remain open for comments until May 1st. In terms of our financial position for the third quarter, revenues are slightly below budget, more than offset, however, by expenses which are also lower than budget, and we anticipate a similar position at year end in June.

On cyber security, we continue to strengthen and enhance our security structures and remain vigilant and alert. Tarek Kamel will speak more about our cyber security efforts in the management update.

We've also made strides in globalizing ICANN. And we remain on track to roll out voice support in regional languages from our hub offices in Singapore and Istanbul in addition to Los Angeles, available 24 hours five days a week, through email, phone, and web portals.

In addition, the Hosting Agreements for ICANN's L-Root will be changed to include an opportunity for additional regional venues for arbitration including Geneva, Switzerland for the Europe, Middle East and Africa

region, and Singapore for Asia Pacific. These options will provide greater flexibility and convenience to L-Root hosts located around the world.

ICANN will also allow contracted parties to issue payments to ICANN in the local currency equivalent of the US dollar invoice amounts, with an initial phase likely to include over 30 different currencies.

Last quarter the IANA department also completed two independent audits. One relates to the Domain Name System Security Extensions Root Key Signing Key systems, and the other evaluates central systems used to support IANA transition processing functions.

We've also expanded our EFQM approach, the European Foundation for Quality Management, to business excellence and we will be extending this framework beyond the IANA Department to the entire organization over a multi-year program to help ICANN drive continuous improvements and standardize processes based on the world-class EFQM model.

As for ICANN staff, we have stabilized our staff growth and continue to focus on development programs for staff. Now let's view an update on Contractual Compliance activities.

The Year Three Contractual Compliance audit program is in its final phase, the remediation phase. The contracted parties are collaborating with the audit team to address and close the initial findings.

ICANN also launched another round of the New Registry Agreement Audit program, The Request for Information notice to Registries was sent on 23rd of March.

To support ICANN's plans to expand the Standing Panel responsible for administering the Public Interest Commitment Dispute Resolution Procedure (the PICDRP), the Contractual Compliance team collaborated with the Registry Services team during the interview and selection process.

Contractual compliance continued its engagement in discussions with registrars and various community constituencies, regarding the abuse report handling requirements specific to the RAA, or the Registrar Accreditation Agreement.   Please visit the Contractual compliance quarterly newsletter for more detailed information.

Turning now to an update on the IANA Stewardship Transition and enhancing ICANN's Accountability, the community remains busy.

There have been vast discussions on these two topics, and during the quarter there were several more meetings, including face-to-face sessions in Istanbul where progress was made.   On the Enhancing ICANN Accountability work, the group made substantial progress in identifying mechanisms for community empowerment.

On the IANA Stewardship Transition, the Naming community proposal from the Stewardship Community Working Group was just posted last night, and we encourage participation in this public comment process, which overall remains on track. Proposals have already been submitted from the numbering and protocol parameters communities.

Next, I will talk about some of the programs and efforts in place to support our community.

ICANN is committed to providing the tools, resources, programs to support the community do its important work. We have heard interest and requests for more online collaboration tools to help the community manage its work. The GNSO working group membership pilot is one example of how a simple digital solution can help this Supporting Organization manage onboarding new members and therefore help increase the group's productivity.

The NextGen Program also remains strong, and we continue to improve the highly competitive program to engage with ICANN's next generation. For ICANN 53 in Buenos Aires, we had more than 125 applicants in the short 10 day window to apply, and a Selection Committee has chosen 20 from around the region to participate.

Turning to my last topic now, on Internet Governance, ICANN continues to prepare for the World Summit on Information Society, WSIS, in partnership with other Internet organizations to ensure smooth preparations, and ICANN will participate with its own session at the ITU World Summit on Information Society Forum, the WSIS, in Geneva.

Preparations for the Internet Governance Forum are also ongoing, as ICANN continues to support and participate in many regional and national IGFs.

For the NETmundial Initiative, the Inaugural Coordination Council held its first meeting at Stanford University in late March. The draft Terms of Reference, which have been developed through an inclusive, bottom-up and consultative process open to all stakeholders, are now in public comment until the first of May, and we look forward to the guidance

from the community on how to shape the Initiative and its work moving forward.

And with that, I'll now hand over to David Olive for the Policy Update.

DAVID OLIVE: Thank you, Fadi. I am David Olive, ICANN's Vice President for Policy Development Support. And I will provide an update on this past quarter's policy development activities.

As you may know, ICANN's policy development work relating to the technical coordination functions, are formed and refined by the ICANN community through its three Supporting Organizations, and influenced by four Advisory Committees, in a bottom-up multi-stakeholder, open and transparent process.

Other Internet policy and technical organizations are also involved in policy development, for example the Internet Engineering Task Force and the regional Internet Registries.

The Policy Update today will cover the Generic Names Supporting Organization, the country-code Names Supporting Organization, the Numbers Resource Organization and Address Supporting Organization, as well as the Internet Engineering Task Force, for a more complete picture of our policy development activities.

On the next slide, we can see the Generic Names Supporting Organization GNSO highlights. In addition to the topics listed on this slide, substantial work on the IANA Stewardship transition as well as enhancing ICANN accountability is ongoing. In the third quarter, the

Council initiated conversations with other Internet Supporting Organizations and Advisory Committees about forming a cross community working group on how to deal with new top level domain auction proceeds.

The Council currently has 11 policy development processes in progress. These including Proxy and Privacy Services and their Accreditation, Translation and Transliteration of Contact Information for directory services, and the use of curative rights mechanisms to protect the names of International Governmental Organizations and International Non-Governmental Organizations.

This quarter also saw the adoption of the Inter-Registrar Transfer Policy recommendations by the ICANN Board, as well as the adoption by the GNSO Council of recommendations for the Governmental Advisory Committee Consultation Group, to look at policy developing issue scoping that will be implemented on a trial basis. Furthermore, the Council provided input on topics such as name collision, Internationalized Domain Name Implementation Guidelines and future generic top level application rounds.

The next slide deals with our update on the country code names supporting organization. In this quarter, the IANA stewardship transition and ICANN accountability processes continued to be a major focus for the country-code community. You can see the highlights for this quarter on the slide.

Because of the importance of these two processes, and in close cooperation with the regional country code top level domain organizations, critical effort continues to be made to reach out to and

engage the entire country code community in these processes, including the non-members of the country code name supporting organization.

Recently you'll see the Council adopted the Framework of Interpretation, a key policy-related process on how the management of a country code top level domain may be delegated or re-delegated from one country code manager to another. This Framework has now been submitted to the Board of Directors.

In other areas, the Strategic and Operational Planning working group has been restructured and is working on its comments on ICANN's draft five year operations plan. The country code community is also implementing a repository with contact details to allow email transmissions in readiness for potential security incidents.

Moving to the name resource organization and address support organization activities. There have been changes within the regional Internet registries and the Name Resource Organization. In December 2014, Oscar Robles was named as the new CEO for Latin America Regional Registry. He assumed that role on the 1st of February this year. Alan Barrett was named as the new CEO for African Regional Registry on the 27th March, and he assumed his role in April of this year. Both of these are well-qualified individuals, having long experience working with ICANN, and we welcome them in their new roles.

All five regional Internet registries have membership and policy meetings taking place between January and June of this year. Policy discussions are scheduled for many areas, including IP version 4 and IP version 6 allocation qualifications, out of region transfers of Internet

Protocol addresses, and modification of asynchronous system number qualifying.

The Address Supporting Organization Council has also been busy. They have adopted a 2015 Work Plan, and are well along in the process of selecting an ICANN Board member to replace Ray Plzak. Mr. Plzak has said he will not seek reappointment.

Finally in the area of the IANA Stewardship Transition, the regional Internet registry communities are continuing to discuss transition implications, along with the ICANN Accountability considerations. They are also coordinating with the Internet Engineering Taskforce on protocol-parameter registry considerations for a post-transition IANA function.

Moving now to the next slide on the Internet Engineering Taskforce. This group develops and maintains standards for technologies used to provide Internet service or to provide services over the Internet.

Through its processes, it develops standards that ensure the technology can perform the needed function, support the proper scale of deployment and usage, and are secure, can be operated securely, and are manageable.

You can see from the slides, the recent activities, the number of request for comments, the Internet drafts published and updated, and the new working groups formed. And you see published 78 requests for comments, 272 new Internet drafts were published, and others including the formation of four new working groups for the activities.

Two activities I'd like to highlight. On March 25th, the Internet Engineering Taskforce formally published the technical standards related to the registration data access protocol. This is a significant improvement to the current WHOIS protocol. The adoption of the new protocol by the domain name registries and registrars will lead to better WHOIS service. This is a successful collaboration between the ICANN community, the Regional Internet registry community, and the Internet Engineering Task Force. The regional Internet registries pioneered the technology, ICANN policy community provided requirements for the new protocol, and the Internet Engineering Taskforce, through its consensus model, standardizes the protocol.

The second item is the Internet Architecture Board also recently issued a joint statement with ICANN's root server system advisory committee confirming the ongoing liaison relationship. You can learn more about the Internet Engineering Task Force and its function on their website listed on the slide.

On transition preparations, this community is also active for the IANA stewardship transition, and forming an IANA Plan working group and producing one Internet draft approved by the steering group and sent to the IANA Coordination Group.

The IANA department at ICANN works closely with the Internet Engineering Taskforce on activities related to protocol parameter matters, processing requested registration and modifications, and reviewing Internet drafts relating to IANA considerations. There is more information about the IANA Department operations in the Management Update today.

That concludes the Policy update for this report. You can hear more about these policy bodies during the ICANN 53 Opening Ceremony in Buenos Aires, and please join us for the ICANN Policy Webinar in preparation of ICANN 53 on 11 June at 10:00 UTC and again at 19:00 Universal Time.

With that, I'll hand it over to Tarek for the Management Update. Tarek, please.

TAREK KAMEL: Thank you, David. I will now give a brief management update on behalf of ICANN.

In this section I'll cover a progress report on the IANA stewardship transition and enhancing ICANN Accountability, provide an IT update, look at a few metrics from the Global Domains Division and Contractual Compliance, and report on some of our engagement efforts around the world, spotlighting Europe and Civil Society outreach.

Looking first at the IANA Stewardship Transition, the ICG has received proposals from the IANA Plan group representing Protocol Parameters and the Numbering Resources Communities, or CRISP team. The Domain Names community, also referred to as CWG Stewardship, is nearly complete with its second draft proposal, and is currently available for public comment. The ICG has begun its assessment process of the IANAPLAN and CRISP Team proposals, and will revisit again after receiving the Cross Community Working Group Stewardship proposal.

On the enhancing ICANN accountability review, the Cross-Community Working Group on Accountability, known as CCWG, has divided its work across four sub-groups: community empowerment, review and redress, stress tests, and legal. There have also been seven independent advisors appointed to contribute to research and provide advice, and the group is very close to completing its first draft recommendations for those items necessary to be in place or committed to prior to the stewardship transition. The first draft report will be posted for public comments shortly.

March 14 marked the one year anniversary of the pivotal NTIA announcement to transfer stewardship of the IANA functions. Since this announcement, it has been a momentous year for ICANN, and this slide shows a snapshot of the hard work, effort and time put in by the community and staff.

Now we are moving onto the IT update, we experienced a data vulnerability issue in February 2015 on the New gTLD Applicant and GDD Portals, and temporarily took these portals offline to investigate and address this issue. The portals contain applicant information of the new gTLD Program and new gTLD registry operators. The portals are only accessible by authenticated applicants and registry operators, and not by the general public.

The issue involved some configuration settings that would allow an authenticated portal user, under certain circumstances, to potentially view data of, or related to, other users. To address this, we've updated settings while taking the systems briefly offline from 27 of February to 2 March 2015. We have also commissioned a thorough forensic review of

logs for this portal system by two independent consultants. This analysis is still ongoing and the results will be reported to the affected parties as soon as we have them.

On software security, ICANN remains committed to protecting confidential information from attacks, and is continuing with a comprehensive effort to review and enhance our cyber security stance. We have adopted a risk-based approach to this effort, prioritizing those services that involve the highest levels of data sensitivity. We continue to engage with all stakeholder groups to ensure that we strike the right balance between security and usability.

With a realistic understanding that attacks will always be a part of the Internet landscape, ICANN continues to remain focused on preventing and reacting quickly to breach attempts, and will keep our community informed along the way. One example of an upcoming improvement in our security stance is that from second half of 2015, we will make dual factor authentication an option for users accessing the application and registry systems.

Moving onto the last point on the slide, our outsourced partnership with a vendor in India continues to progress and generate cost savings and benefits. Let's now turn to the Security, Stability and Resiliency update.

Enhancing the root server of the domain name system is critical to ICANN's mission because the root is one of the pillars of a secure, stable and resilient Internet. Our technical team is currently working with the Root Management Partners and the community to devise a plan to update, or roll, the cryptographic key used to secure the root, known as

the Root DNSSEC Key Signing Key. In the third quarter, a design team responsible for developing the plan to roll the cryptographic key was officially formed. Seven members were selected from a pool of 19 qualified community applicants, and selections were announced on ICANN's website. The design team met face-to-face for the first time at IETF 92 in Dallas, Texas in March 2015, and also has weekly conference calls to explore issues that could impact the feasibility of updating the Root DNSSEC Key Signing Key.

Let's please move on to New gTLD Program statistics. During the third quarter, 99 generic top-level domains were delegated and 140 registry agreements were signed. At the end of the quarter, the 31st of March 2015, there were a total of 578 delegations and 872 registry agreement executions through the new gTLD Program.

There are cases where multiple applicants have applied for the same new gTLD string, or strings that are confusingly similar. Only one entity can operate a gTLD, so these applicants must undergo processes to resolve that contention. 233 contention sets were identified in 2013 and thus far, 198 have been resolved. ICANN encourages applicants to resolve contention among themselves and the vast majority of these 198 sets have been self-resolved. When applicants can't come to an agreement, the applied-for string goes to auction, which is ICANN's last resort method of resolving contention. 13 contention sets have been resolved via these last-resort auctions, with net proceeds from these auctions totaling approximately US $58.8 million. Input will be needed from the community at the appropriate time on how to use these funds.

Now I'd like to discuss progress related to Internationalized Domain Names or IDNs. ICANN is working to further promote the multilingual Internet by facilitating the introduction of Internationalized Domain Names, IDNs, at the top-level in the domain name system. IDNs allow users across the world to navigate the web in their native languages. We are facilitating two concurrent work streams related to IDNs. The first is the Internationalized Domain Name Top-Level Domain Program.

The primary goal of the IDN TLD Program is to further develop rules for determining how non-ASCII top-level domain names, or labels, can be constructed and used in the domain name system. These rules need to be defined for each writing system, or script. ICANN has engaged volunteers from script-based communities to define these rules in order to ensure scripts are properly represented, and we are simultaneously working with the technical community to ensure these solutions are secure and stable. During the last quarter, the Arabic script community completed its work on these label generation rules, the Chinese and Japanese communities made good progress, and the Armenian, Cyrillic, Korean and Neo-Brahmi communities organized themselves. Other communities are currently initiating their work.

The second work stream is related to the evaluation and delegation of IDN country-code Top-Level Domains through the Fast Track Process, through which top-level domain names representing specific countries or territories in local languages and scripts are entered into the root. To date, 46 IDN ccTLDs have been evaluated through the fast track process, representing 36 countries, as some countries have applied for ccTLDs in multiple scripts. 39 labels have been already added to the Domain

Name System, with Armenia and Macao being the most recent additions to this ever-growing list.

Adding Internationalized Domain Names to the domain name system is only half of the puzzle. Universal Acceptance is required to ensure these, and other new top-level domains, function properly in all Internet applications and services.

During this quarter, ICANN advanced its Universal Acceptance initiative by solidifying its role as facilitator and working with the Internet community to form a Universal Acceptance Steering Group. This steering group will undertake activities to promote and support the acceptance of all valid domain names and email addresses, including new top-level domains with ASCII and IDN characters, email addresses created on these new top-level domains, and internationalized email addresses in general

Now let's take a look at IANA Department tickets for the quarter. ICANN is responsible for coordinating the Internet's unique identifiers. Our IANA department receives requests, or tickets, to update top level domains, number spaces and protocol parameter repositories, as well as general requests.

In the third quarter, ICANN received and processed 395 domain name function requests, up 51 percent increase from last quarter. This is an expected trend as maintenance requests are expected to increase as the number of gTLDs in the root zone continues to expand.

There was one Internet numbers function request this quarter compared with zero last quarter. This is also consistent with the norm

as IPv4 allocations as they occur bi-annually. The most recent allocation was performed on March 1, 2015. As for protocol parameters, we received 1,084 requests, bringing the total number of tickets to 1,794, up 21% from last quarter mostly due to the continued rollout of the new gTLD Program.

Now let's look at how the Customer Service Center performed for the period. Looking at the case volume, you can see the Customer Service Center has continued to process cases at a rate that slightly outpaces the incoming volume for the past several months and as a result, the case backlog has decreased by 40% since the start of ICANN's fiscal year.

When looking at the status frequency, our goal is to provide a status update within seven days on 80% of the cases. We're trending in the 70% range and on provide an update in under seven days.

We also continue to progress in our resolution time targets, or the time it takes us to resolve a query. We slightly exceeded the goal of 80% of cases resolved in seven days.

In addition, we announced in February 2015 the first phase to globalize our customer service capabilities starting on the first of June, where we will provide global operations from our three hubs with support in multiple languages, via email, phone, and web portals, to ensure we better serve our global customers.

I'll now give an update on the Contractual Compliance metrics. This slide provides some of the key performance measures of the function. The volume reflects the activities are a result of complaints submitted to ICANN by third parties, or the result of ICANN monitoring.

The Contractual Compliance team's goal is to bring the contracted parties into compliance with their agreements. As you can see in the chart, in Q3 our contractual compliance team received approximately 10,000 complaints of potential non-compliance issues and resolved or closed 10,712 issues. Note, the total closed maybe larger than total new as it may include issues from previous months. The average time from beginning an investigation to resolving and closing the matter in Q3 was about 10.5 days.

I'll now provide a report on ICANN's global engagement efforts. This slide shows a snapshot of our Global Stakeholder Engagement and outreach activities from the quarter, by stakeholder group. There are many more activities than captured here, and I'll just highlight a few of these.

In Amman Jordan, we held the second edition of the Middle East Forum where over 60 people attended to learn more about core Domain Name System issues like ccTLDs, new gTLDs and internationalized domain names as well as get a sense of the broader ecosystem of e-commerce and online business, and the value it brings to the economy.

In Africa, we launched a DNS Business Exchange Program in collaboration with our partner AFRINIC, aimed at supporting the growth of the domain name industry in Africa through capacity-building events. The first phase of this program saw six candidates attend a two week internship program hosted by several registrars in Singapore, to learn and exchange best practice and information pertaining to DNS business aspects.

Now I'll spotlight a few outreach efforts in Europe.   Our engagement efforts in Europe continues to be extensive. We ran a series of workshops and webinars across the continent usually in partnership with local stakeholders, which reached over 1,000 people face-to-face and over 3,000 remote.

I'll touch on a few outreach events. In late January 2015, on the back of the Frankfurt meeting of the working groups related to the IANA Stewardship transition, we organized briefings for business stakeholders in Brussels, such as Digital Europe and AmCham EU, as well as a civil society workshop and webinar. And the following week we briefed over 20 Brussels-based representatives of the EU Member Governments. At the annual Serbian country code registry conference in March, we discussed the IANA stewardship transition as well as more technical topics like internationalized domain names and new gTLDs, in front of an enthusiastic audience of over 300, and hundreds more had applied but there was not enough room to hold them.

During the quarter, we also added an L-root server instance in London, which is a key part of ICANN's work in maintaining the stability, security and resiliency of the Internet's Domain Name System.

For more focused Civil Society outreach, we've formed a dedicated global team to coordinate our engagement with this stakeholder group more efficiently and effectively by having dedicated points of contact in the GSE team in each region. By having this team in place, I am confident we'll continue to build strong engagement opportunities with Civil Society.

That concludes the Management Update section, and I'll now hand over to Xavier, ICANN's CFO to talk about the financials. Thank you.

XAVIER CALVEZ:

Thank you Tarek. I will present the financial information for the first nine months of the fiscal year, from July 2014 to March 2015. The information presented includes actual data compared to budget, starting with information on ICANN's revenues, followed by a review of expenses for ICANN's Operations, and forward-looking information for our fiscal years 2015 and 2016. We will then provide an overview of the new gTLD program and will conclude with a status of the funds under management.

ICANN's revenues result mainly from two external drivers, the number of domain name registrations on one hand, and the number of parties under contract with ICANN on the other hand. Both factors are outside of the control of ICANN.

On the left on this graph, the number of domain name registrations drives the transaction-based fees, representing 75% of our revenue. If you are the registrant of a domain name, this is the one year ICANN fee of 18 to 25 cents that you may see on the invoice you receive from your registrar. On the right on this graph, the number of contracted parties drives various fixed fees, representing 22% of our revenue. One example is the fixed fee of $25,000 paid by registries for each new Top Level Domain.

The other income, consisting of contributions and sponsorships, represents the last 3% of ICANN's revenues. We will now compare our revenues as of March 2015 to budget.

During the 3rd quarter, our revenues for the first nine months of the fiscal year, is slightly under budget, by $2m at $73m, with a few variances by category. The transaction-based fees reflects a slightly lower volume of registrations than budgeted.

The fixed fees are impacted by the slower delegation of new TLDs throughout the period, partially offset by one-time fees resulting from new registrars accreditations. The other income is slightly under budget mainly due to timing variances.

We now review our expenses when compared to budget. The favorable trend of the first six months continued during the 3rd quarter, with baseline operating and capital expenses remaining slightly below budget.

The approved initiatives expenses, relative to the USG stewardship transition project, remain below budget for the first nine months. However, as we indicated in our previous quarterly call, the expenses for this project have increased to the budgeted run-rate level of spend during the 3rd quarter.

When reviewing our costs by category, all expenses are slightly below budget, reflecting a careful control of costs, as a result of on-going processes like the monthly monitoring of the spend by department, and specific actions, like the implementation of the cost saving task force, and the revision of the hiring plan. These actions illustrate our

permanent dedication to managing responsibly our expenses in the public interest.

Now, let's review the outlook of the next few months. As Fadi indicated earlier, our outlook for the remainder of our fiscal year 2015 until June, reflects the trends that are visible today on both our revenues and expenses. Revenues are expected to be slightly below budget, anywhere between $101 million and $103 million, reflecting the increasing effect of slower TLD delegations.

Baseline Operating Expenses are expected to also remain below budget, between $98 million and $100 million, reflecting the continued cost controls efforts of the organization. As a result, Baseline Operations are therefore expected to remain financially balanced for the fiscal year.

For the upcoming fiscal year 2016, our draft budget of revenues and expenses, currently under public comment until May 1st, are expected to increase to approximately 113 million, or 9%.

The New gTLD program is a $360 million, multi-year program to create new top level domains. The program is fully funded through the application fees collected in 2012.

After three years, approximately $156 million has been spent to evaluate the applications and refund withdrawn applications. Approximately $118 million of further expenses are expected to be incurred through the remainder of the program, leaving an estimated $89 million of remaining funds to cover future unexpected expenses, including potential risk mitigation.

The multi-year forecasted spend for the entire program was updated to reflect the most current view of the program to date. Minor changes were reflected with minimal net impact on the estimate of remaining funds.

Now, looking at the new gTLD program's expenses for FY15, you can see that expenses are consistent in total with the budget, with the exceptions of refunds.

The refunds for withdrawn application amount to $16 million for the first nine months of the year, while a total of $10 million was budgeted for the entire fiscal year. This higher number of refunds to date is mainly driven by the earlier resolution than planned of application contentions.

This change in timing has been taken into account in the revision of the program's multi-year financial forecast. Looking now at our funds under management, and how they have evolved over the past four quarters.

During the first nine months of the year, the ICANN Reserve and Operating funds, at the top of each bar on the graph, were overall stable. The new gTLD funds, in the middle, have decreased consistently with the expenses and refunds that occurred during the Quarter.

Separately, the proceeds collected from the auctions amount to $58 million at the end of March, including $25 million collected during the 3rd quarter. Further auction proceeds for the auctions held in March were collected after the end of the quarter.

This concludes the financial presentation. I would like to hand it back to Brad who will moderate the Q&A session.

BRAD WHITE: Xavier thank you very much. Our first question is from [inaudible], in Egypt, "Is there any published info on the working group membership pilot project mentioned earlier?" David Olive, that question is probably aimed at you.

David are you still with us?

Let's jump to our, while we're trying to get David back online, let's jump to our second question from James Gannon in Ireland. "Will ICANN produce an after action report to the public, as is standard practice in many areas?"

To our presenters, I'm not sure who would best be appropriate to answer that, but I'll let you guys decide who would be the most appropriate respondent to that question.

UNKNOWN SPEAKER: Hi, this is [inaudible] here.   That's probably best answered by [inaudible]. Yes, we are in the process of concluding the investigative steps, and as we proceed, the after action item report will be something that we produce, will inform the appropriate community of findings, and remedial action.

BRAD WHITE: Very good. Thank you. Is David Olive back online? David are you online with us?

Let's take another question while we're trying to establish contact with David from Wisdom [inaudible] in Ghana. "How important is the accountability mechanism in regards to its binding in court, versus reliance on voluntary compliance as in the current system?"

And again, I would ask the respondents to toss that to whoever is most appropriate.

Let me repeat that question. Apparently we've got some audio problems here. This question is from Wisdom [inaudible] in Ghana. "How important is the accountability mechanism in regards to its binding in court, versus reliance on voluntary compliance as in the current system?"

And again, I would toss this to the respondents to determine who is the most appropriate person to respond to that question.

TERESA: So I can take that question, this is Teresa. These topics are currently under discussion in the CCWG accountability process. So we would strongly encourage participation in those groups. [Inaudible] for consultation shortly.

BRAD WHITE: Teresa, thank you very much. Our next question, and this is probably to you Tarek, it's from Avri Doria. "When Tarek reports that ICANN will need input to decide how to deal with auction proceeds, does he mean there will be a bottom-up process for determining what the ICANN community thinks should be done?" Tarek?

TAREK KAMEL:	Yeah. Thank you. I will refer this question to [Akrim] as he is heading the [CCWG] program that is running the [inaudible].
[AKRIM]:	Thank you Tarek. This is [Akrim]. Yes Avri, the Board has repeatedly mentioned that the auction proceeds will go through a bottom-up process to identify how they will be used and what they will be used for. And I think that we will hear more about that in Buenos Aires. The Board has intentions to discuss these in the next meeting, and therefore come up with a plan to move the discussions forward. Thank you.
BRAD WHITE:	Thank you very much Tarek. Our next question is from Ivan [inaudible], in the States. "In light of recent over some gTLDs, have we heard more guidance from US regulators, such as FTC, on this entire matter?"
[AKRIM]:	This is [Akrim]. No we have not heard anything back. Thank you.
BRAD WHITE:	That's all the questions that we've got online at this point. There is one outstanding question, and Theresa, I think this is probably aimed at you. "What's the next step in the process for the IANA stewardship transition after this public comment period?"

THERESA: Hi this is Theresa. Happy to take that. So this is specifically for the proposal that was posted late yesterday US Pacific time, with regards to the naming community proposal. That public comment period is up for 28 days. It closes on the 20th of May at 23:59 UTC. Following this, the comments and feedback will be reviewed and analyzed and incorporated into the proposal.

The ICANN 53 meeting will allow for feedback with community discussions and any sort of final review. The proposal is then submitted to the IANA coordination group, the ICG, for incorporation into their work, for preparing a proposal meeting the criteria as set out by NTIA. Subsequent to the conclusion of the ICG's work, they will submit the full proposal to ICANN for transmission to the NTIA.

BRAD WHITE: Thank you Theresa. I think we've reestablished communication with David Olive, assuming that's correct. David, let me repeat the question that was asked initially from [inaudible] in Egypt. "Is there any published info on the working group membership pilot project mentioned earlier?"

DAVID OLIVE: Thank you Brad and thanks [Amar]. I know Mary [inaudible] tried to put some answer into the chat and I'm happy to elaborate. We are now in the process of gathering the high level requirements for this type of service for the various constituencies. There is no published data at the moment, but we hope to have a report ready in Buenos Aires, and to be able to share that with the groups, and we can keep you informed.

BRAD WHITE: Very good David. Thank you. Next question from Ann [inaudible]. "Is there any possibility that auction proceeds will have to be used for ICANN's operating budget beyond 2017?" [Akrim], I think that's probably best suited to you. If not, maybe Xavier.

[AKRIM]:   Thank you Brad. So I think that we will wait for the bottom up process to actually guide these decisions. So I don't want to prematurely talk about these issues before the process takes hold and makes these decisions. I think, again, that the Board will be laying out some process to engage the community very soon.

And I think also in Buenos Aries will be the time where a lot of these issues will surface and will be addressed by the community. Thank you.

BRAD WHITE: Thank you [Akrim]. Xavier, we have a question for you. "What will ICANN's strategy be if expenses are higher than revenues?"

XAVIER CALVEZ: Thank you Brad. I'm happy to take this question. ICANN has a planning process on an ongoing basis that allows itself to both plan for revenues and plan for expenses ahead of time in dimension its organizations and activities to ensure that expenses do not exceed revenues that cover them.

Having said that, there is always at any point of time the possibility that events trigger expenses that need to be incurred, and cannot be avoided. And ICANN has mechanisms to face such type of eventualities like using contingencies, for example, or using its reserve funds.

These matters are governed the Board with staff advice, so those mechanisms exist when required. Thank you.

BRAD WHITE: Thank you Xavier. I might note that we have no more questions in the queue. There is one final question, this will be our last question, if we don't have any others. Xavier, this is for you again. "How much has been spent on the IANA stewardship transition and where do those funds come from?"

XAVIER CALVEZ: Thank you Brad, and thank you for the question. One of the slides, number 35 in the presentation for those who would like to go back to them, indicates that the spend to date on the project is approximately $3 million. This is in regards to an anticipated amount of spend to date in the budget of $5 million. We are below the budget at this stage.

And the overall budget for the year is approximately $7 million. The funding of this project, as originally approved by the Board of Directors of ICANN, when approving the budget for fiscal year 15, the funding for this project comes from the reserve fund of ICANN.

BRAD WHITE: Xavier, thank you very much. So we have no other questions in the queue, so with that, we're going to bring to a close this, our third quarterly stakeholder call. We would like to thank….

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