

GNSO gTLD Registries Stakeholder Group Statement

Issue: Framework for ICANN's FY11 Operating Plan & Budget

Date: 1 April 2010

Issue Document URL: <http://www.icann.org/en/planning/ops-budget-framework-fy2011-en.pdf>

Regarding the issue noted above, the following comments and questions were approved by the ICANN GNSO gTLD Registries Stakeholder Group (RySG) as recorded at the end of this document. They were developed through a combination of RySG email list discussion and RySG meetings (including teleconference meetings). After some general comments, they are organized by sections of the Framework document.

General Comments/Questions

1. For organizations that contribute to ICANN's revenue, it would be very enlightening to show in table format or graphical charts how revenue contributions compare to support expenses for a given fiscal year. It is understood that some support services are shared by multiple groups but all organizations deal with that and are able to allocate expenses in reasonable ways. Along the same line, it would be helpful if each SO and AC was given at least a high level report of the expenses required to support their activities.
2. What is the headcount supported by this Operating Plan and Budget Framework for both employees and contractors? It would be helpful if the headcount was broken out by functional area.

Section 4, The Framework for the FY11 Operating Plan (page 15)

Technical Operations Expenses

- As shown in the table, the following activities are each projected to grow by double digit percentages over FY10:
 - 3 - IANA & Technology Operations Improvements (\$910K, 18.1% increase)
 - 4 – Security, Stability and Resiliency Operations (\$1.495M, 26.0 % increase)
 - 14 – DNS Operations (\$1.111M, 92.7% increase)
- Total FY11 budgeted amounts for the above three items is over \$13.5M, more than 22% of the total expense budget for FY11.
- No one questions the importance of the IANA function and everyone believes that security and stability should be a top priority for ICANN as far as that relates to ICANN's mission, but the question has been asked in the past and should be asked again, is it cost effective for ICANN to be so heavily involved in technical

operations, especially considering there are many global organizations who have outstanding infrastructure and operational capability already in place?

- Section 4.3 provides some discussion about IANA and other Technology Improvements. The second paragraph on pages 18-19 says:
“In FY11, nearly \$6 million of budget resources are required to support the strengthening of IANA and Technology Operations. The 18.1% increase over FY10, reflecting the importance of this function in ICANN’s strategic plan, includes staffing with an executive director for IANA, an upgrade to the IANA infrastructure, and professional services for external reviews of IANA’s RZM software as well as number resource and protocol parameter processes.”
 - A detailed breakdown of these increased costs would be very helpful in evaluating them.
 - It is understood that IANA infrastructure has to be replaced over time and, even though it may be possible to depreciate the expense over a term of 3+ years, the outlay of cash may need to happen in the current year. But it is not possible to see whether the budget includes this because there is no detail provided.
- Section 4.4 discusses the Security, Stability and Resiliency activity. The second paragraph on page 18 says:
“In FY11, budget resources required to support SSR activities are estimated at \$7.3 million, a 26.0% increase over FY10’s budget. The budget estimates include the costs for DNSSEC implementation, security program certifications, external audits of ICANN’s security, hardening of ICANN’s infrastructure, and other important activities highlighted in the Strategic Plan.”
 - A list of some of the elements of this activity is provided but without any cost detail, so it is very difficult if not impossible to properly evaluate this activity.
 - The RySG believes that no funds should be budgeted specifically for DNS-CERT initiatives until after the public has had an opportunity to thoroughly discuss the initiatives and only if the community decides they should be undertaken by ICANN. Note that the RySG plans to submit comments regarding the DNS-CERT Business Case before that comment period ends.

Core Meeting Logistics

- Activity 6 covers this item but there is one conspicuously missing item in the description in Section 4.6 on page 21: remote participation. How much is budgeted to improve remote participation capabilities?

Policy Development Support

- One of the core ICANN functions is policy development. Two activities in the table that relate to that are the following with the amount and percent of the FY11 increase shown in parentheses: :

- 7 – Constituency Support (\$229K, 3.8% increase)
- 8 – Policy Development Support (\$681K, 12.8% increase)
- The Board and the GNSO community have been working on GNSO improvements for several years; a few of those improvements have already started to be implemented in FY10 but the bulk of the improvements will likely be done in FY11 and it is not clear that enough has been budgeted just for the GNSO improvements, let alone those that may be implemented for other SOs and ACs. It would be very helpful to see a detailed breakout of these budgets. Sections 4.7 and 4.8 on pages 21-23 contain quite a bit of detail but without any allocation of costs for the various tasks.
- Our understanding is that there are no funds budgeted to do Whois studies. Considering how many years the Whois issue has been worked, it seems important that at least some of the studies are able to be done in FY2011 so we can hopefully make some progress on this important issue. The GNSO Council will hopefully be able to provide some direction regarding which studies it would like to pursue, but if that is not possible in the brief time after the final Whois study report is finished and the framework comment deadline, it would seem useful to budget some funds for that eventuality.

Ombudsman

- The Ombudsman activity (item 11 in the table) shows an increase of \$99K (22.0% increase), which relatively speaking is not huge, but on pages 25-26 there is no explanation of this increase. Why was a 22% increase needed?

Board Support

- Activity 12 in the table covers Board Support. As explained in Section 4.11 on page 24, this includes two Board retreats. These are probably extremely useful sessions but it would be helpful to know how much each retreat is projected to cost. In addition, if funds from the community are going to be used to pay for Board retreats, then the content, presentations, etc. at those retreats must be made public.

Organizational Improvement

- Section 4.14 covers this activity but it is not clear what activity listed on the table on page 15 corresponds to this. Does this correspond to Activity 15, Administrative Improvement?

Section 5, The Framework for the FY11 Budget

In Section 5.1 (Revenue) on page 27, Registry Fees for FY11 are estimated to be \$32.4M. How does this compare to Registry Fees for FY10?

How much is being budgeted for revenue from IDN ccTLD Fast Track registry operators? How are their fees being determined?

Section 6, Contribution to the Reserve Fund

How much is in the Reserve Fund today?

Level of Support of Active Members: Supermajority

- # of Members in Favor: 12
- # of Members Opposed: 0
- # of Members that Abstained: 0
- # of Members that did not vote: 1

Minority Position(s): None

General RySG Information

- Total # of eligible RySG Members¹: 14
- Total # of RySG Members: 13
- Total # of Active RySG Members²: 13
- Minimum requirement for supermajority of Active Members: 9
- Minimum requirement for majority of Active Members: 7
- # of Members that participated in this process: 12
- Names of Members that participated in this process:
 1. Afiliás (.info & .mobi)
 2. DotAsia Organisation (.asia)
 3. DotCooperation (.coop)
 4. Employ Media (.jobs)
 5. Fundació puntCAT (.cat)
 6. Museum Domain Management Association – MuseDoma (.museum)
 7. NeuStar (.biz)
 8. Public Interest Registry - PIR (.org)

¹ All top-level domain sponsors or registry operators that have agreements with ICANN to provide Registry Services in support of one or more gTLDs are eligible for membership upon the “effective date” set forth in the operator’s or sponsor’s agreement (RySG Articles of Operation, Article III, Membership, ¶ 1). The RySG Articles of Operation can be found at <http://gns0.icann.org/files/gns0/en/improvements/registries-sg-proposed-charter-30jul09-en.pdf>. The Universal Postal Union recently concluded the .POST agreement with ICANN, but as of this writing the UPU has not applied for RySG membership.

² Per the RySG Articles of Operation, Article III, Membership, ¶ 6: Members shall be classified as “Active” or “Inactive”. A member shall be classified as “Active” unless it is classified as “Inactive” pursuant to the provisions of this paragraph. Members become Inactive by failing to participate in a RySG meeting or voting process for a total of three consecutive meetings or voting processes or both. An Inactive member shall have all rights and duties of membership other than being counted as present or absent in the determination of a quorum. An Inactive member may resume Active status at any time by participating in a RySG meeting or by voting.

9. RegistryPro (.pro)
 10. Societe Internationale de Telecommunication Aeronautiques – SITA (.aero)
 11. Telnic (.tel)
 12. The Travel Partnership Corporation (TTPC) (.travel)
 13. VeriSign (.com, .name, & .net)
- Names & email addresses for points of contact
 - Chair: David Maher, dmaher@pir.org
 - Vice Chair: Jeff Neuman, Jeff.Neuman@Neustar.us
 - Secretariat: Cherie Stubbs, Cherstubbs@aol.com
 - RySG representative for this statement: Chuck Gomes, [<cgomes@verisign.com>](mailto:cgomes@verisign.com)