

Paul Diaz, Ken Stubbs, and Tim Switzer submit these Reply Comments in our personal capacities. They do not necessarily represent the views of our employers, nor the official positions of the Registries Stakeholder Group (RySG) nor the New TLD Applicant Group (NTAG).

First, in response to the Commercial Stakeholder Group's suggestion that the amount of funds for special budget requests be increased to cover all of those requests (see <http://forum.icann.org/lists/comments-op-budget-fy14-10may13/msg00008.html>), we do not think it's a good idea to further increase spending in the ICANN FY14 Operating Plan and Budget. It's irrelevant that over half of the allotted \$600,000 went to Fast Track requests, thereby leaving a relatively small pool of funds available for other FY14 budget requests. While the "Fast Track" process may have been misinterpreted, i.e. some requests could have been spread out over the year, we believe that it's too late in the budgeting process to further expand the anticipated spending in FY14. The community can take this as a learning experience, and ICANN should better educate its stakeholders on the budget request processes for next year. Throwing yet more money at special interest requests that don't appear to be genuinely needs-based seems neither equitable nor prudent.

In fact, as long time ICANN budget watchers, we are very concerned that it's going to be increasingly difficult to keep ICANN under reasonable financial control. ICANN's budget growth is staggering: how few businesses over the past five years have enjoyed ICANN's hefty double-digit year-over-year growth rates? Perhaps the most troubling line item is the surge in requests for travel support. It appears multiple groups are lobbying ICANN for additional funded slots. While ICANN's Global Engagement efforts are noble objectives, how can the community reconcile so many requests from representatives of law firms, for-profit businesses, or even governments? This is especially troubling given the lack of transparency regarding who availed themselves of travel support.

We do want to give credit where it is due: ICANN's financial reporting detail has improved dramatically over the past two years via their new tools, webinars, ad hoc team, etc. The At-Task is an example of movement in the right direction. As the RySG noted in its comments, however, we still expect to see more detail down to the project level.

Ultimately, we understand that the Budget process (and the Strategic Review that's supposed to help inform it) is in a state of transition. The community, however, expects more meaningful opportunity to engage with ICANN staff about spending priorities, goals and limits in the coming year. ICANN could start that good faith exchange with clear, high-level summaries of anticipated revenues and expenses. More detailed yet still easy for non-experts to understand overviews of programmatic or thematic spending should be provided. Critically, all of this data needs to be publicized as soon as possible, and certainly before the end of the calendar year. ICANN's past practice of starting the information exchange late into the fiscal year is no longer acceptable. There's a lot of money involved in this process, and far too little understanding of how it will be invested. If ICANN really is committed to acting as an accountable and transparent organization serving the public interest, it needs to put the Community's money where it's most needed and to not fall victim to the "loud voices" of special interests and lobbying.

Thank you for the opportunity to provide this input.

Sincerely,

Paul Diaz
Ken Stubbs
Tim Switzer