01 Apr 2010

ICANN 2011 Operations Plan and Budget
Please accept the following comments in response to the publication of ICANN's Framework 2011 Operating Plan and Budget. [1] Go Daddy reserves the right to future comments on this issue and our positions include, but are not necessarily limited to, the text herein.

General Comments
We are pleased to see that ICANN's cost containment efforts at the close of FY2010 will bring this year's expenditures in line with the original budget. However, we note that the FY2010 expense projection was significantly larger than that of previous years.

In an economic climate where the contributing Contracted Parties continuously work to contain costs, ICANN should review their FY2010 year end cost containment efforts and any insights gathered from this effort should be duplicated or expanded in continuous improvement of ICANN's financial performance.

Meeting Expenditures
Section 4.6 describes the costs associated with ICANN's support of global and regional meetings. While we are pleased to see these costs are relatively flat with respect to FY2010, this projection may be in jeopardy during the coming year. There are increasing calls for ICANN to support meetings outside of the existing meeting calendar, including meetings for PDP working groups, special initiatives (e.g. the IRT/STI), and issue-oriented Advisory Committees. We don't believe that funding of these activities should all come from ICANN's budget. For example, the GNSO consists of various Stakeholder Groups that have significant ability to raise funds given the financial positions of many of their members. If the GNSO believes certain activities are relevant and important it should be responsible for funding these directly. Similar thought should be given to any requests for increases in travel funding that have not been typically accounted for in ICANN's budget.

The recent meeting in Nairobi saw decreased attendance due to security concerns, and a commiserate increase in the cost of security and demands for remote participation facilities (for example, the remote "ICANN-Reston" gathering). Staff should be sure that the potential for these increased costs at future meetings has been considered during the planning process. We urge ICANN to duplicate and

expand its support of remote participation technologies, including remote transcription and translation.

To offset this increased investment, we believe that there are still numerous opportunities to reduce meeting expenses, both for ICANN and attendees. Reducing the meeting calendar from three to two meetings annually should be considered, with more reliance on regional meetings.

Furthermore, the long-term benefits of holding ICANN meetings in obscure locations are still unclear, and these funds may be more effectively directed to remote participation facilities and outreach programs. Barriers to global participation often include economic concerns, government indifference, unreliable infrastructure (power, bandwidth, etc.) and political instability. These challenges are unlikely to be overcome by a local ICANN meeting, no matter how well intended. We propose that a small number of hub cities within each region should designated as ICANN meeting sites. This would ensure facilities best suited to meet the needs of large ICANN meetings and availability of necessary security. Repeated use of designated facilities would also help with budget planning and containing costs.

Finally, ICANN should consider charging a nominal, cost-offsetting fee for some event expenses (Gala, meals, etc.) associated with its meetings. Even a relatively small amount, such as $100, would dramatically help to control meeting costs. Such fees would not have to affect the Fellowship program, and the program could be expanded or modified to address the needs of attendees within the region.

Balancing Workloads and Setting Priorities
In the Executive Summary this question is asked, "Is it ever appropriate to say a piece of policy or implementation work will simply have to wait until a higher priority piece of work is completed?" The answer to that should be a resounding "Yes!" Without priorities it is impossible to manage any set of resources responsibly. The answer cannot be that all things have equal priority and the budget expands as required. The GNSO Council has began a prioritization process and the expectation should be that Council will better manage its resources and have more realistic demands on Staff resources and respect for budget limitations.

So, while we share ICANN's desire to find the most qualified and experienced professionals to join its staff, we believe that a commitment to prioritized policy and support work will help delay or alleviate the need for additional staff. And, like its private-sector counterparts, ICANN should explore other means (contracted employees, existing third-party organizations, etc.) to complete limited projects, or work outside of its core mission.

Contingency Fund
We support the maintenance of a $1.5 million contingency for FY2011, but would like additional details on how the Board Finance Committee gauges the level of budgetary risk to establish the contingency level, and how requests for release of contingency funds are evaluated and approved.

Sincerely,
GoDaddy.com, Inc.

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1. http://www.icann.org/en/announcements/announcement-2-15feb10-en.htm