



Proposed Framework for the Fiscal Year 2012 (FY12) Operating Plan and Budget

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**Commercial & Business Users
Constituency Comment**

GNSO//CSG//BC

Statement:

The release of **Proposed Framework for the Fiscal Year 2012 (FY12) Operating Plan and Budget** <http://www.icann.org/en/planning/ops-budget-framework-fy2012-en.pdf> starts the operational planning process for ICANN, and provides the community their first look at the current and planned work, along with estimated financial resources required for FY12.

BC welcomes this opportunity to comment on the FY12 Operating Plan & Budget Framework as many of our members have a deep interest in this subject.

The BC also submitted 5 key requests for budget support as part of the new AC/SO/SG request process in January 2011.

Global Budget areas that are most important to the BC are:

Compliance

We underlined our support for budget increases in Compliance, and are please to hear that two vacant positions have just been filled. Our members remain concerned that staffing need to be brought up to FY10 budget levels of 15 staff and supported by the best technology tools. In the words of the FY11 plan: "ICANN will continue to aggressively enforce contractual compliance of registrar and registry agreements."

In 2011, ICANN is driving toward massive changes in the number of gTLDs, introducing IDNS, and pushing the recruitment of registrars in developing countries. The history of problems with new contracted parties in the registrar and reseller area offers strong guidance about the importance of trained, knowledgeable resources in several areas, such as registrar services and Contractual Compliance. ICANN must ensure that such parties fully understand their obligations; the Contractual Compliance team must be part of the training as well as part of the enforcement process. This takes additional resources. At this point, the BC does not see adequate and timely commitment of resources. While we are pleased that ICANN recently filled long vacant positions, delays in filling positions create backlogs of work, and are not indications of ICANN's commitment to fulfilling a commitment to 'aggressively enforce contractual compliance'. The budget should be reprioritized accordingly.

In addition BC members took part in the IRTP-B working group which discovered there is critical investment needed in the collection, process and reporting of the numerous complaints that the compliance team receive via the web form each month. The working group found that accurate information on which to base policy recommendations either did not exist or was laborious to extract manually. This led to the following letter, which the BC fully supports.

"In January 2010 some members of the GNSO IRTP-B working group learned that Contractual Compliance was submitting a \$50,000 to \$100,000 budget request to enhance the Consumer Complaint Intake System." They submitted a memo in support of that request. <http://forum.icann.org/lists/gnso-irtp-b-jun09/docFNcFRi8itb.doc>. The memo noted:

"Several groups of people would benefit from improvements in the Consumer Complaint Intake System:

- **End-users and registrants** find it confusing and difficult to identify the most appropriate problem-reporting venue or action to take when they experience problems.
- **Registrars and registries** are frustrated if their customers file complaints in error, in the wrong place or without first seeking help from the provider.
- **Working and advisory groups** find their work hampered by the difficulty in obtaining reliable (rather than anecdotal) data upon which to base policy decisions.
- **ICANN Contractual Compliance** is likely to face an ever-increasing demand for timely information and analysis, which divert substantial staff resources from work that requires actual human type people to accomplish.”

The BC support a budget request to provide essential automation resources and suggests that this should be a prioritized activity.

We are not asking ICANN to expand its staff for the sake of its size, but because compliance is a key element of the organization's reputation.

Whois Studies

We support the work on organizing the Whois Studies and request that full financial support be provided in the FY12 budget.

The BC has a long-standing position supporting WHOIS. The first WHOIS Task Force at ICANN was chaired by a member of the BC. The original work for the UDRP was undertaken by members of the BC. Whois serves the needs of consumers, businesses, law enforcement, and network operators to address identify theft, fraud, network attacks, corporate identity theft, and trademark infringements that threaten the business stability and customer good will.

Fact-based policy making should be ICANN's baseline expectation and that requires the ICANN budget to provide sufficient funding for expert studies, such as the long delayed WHOIS studies. These studies may serve, as well, as a prototype for the ongoing funding that the Council's policy development processes should include for fact-based research to support policy working groups.

Any actions taken must be mindful of the potential for real harm if privacy is breached. There are parts of the world where free speech is limited and it is the Internet that gives voice to people.

ICANN's budget process should support the WHOIS studies funding, fully, and in a timely manner. ICANN's senior staff must recognize and maintain full support to this priority.

The BC also supports all the work of the contractual Compliance Department in the field of Whois accuracy. We commend the excellent progress that the Compliance Department team has made in this important area. While more is needed, significant progress has taken place and should be recognized. We note this important area under WHOIS, only to reinforce that the Compliance/Enforcement team must continue to have full support for their critically important work in this area.

Policy Staff resources

We support the excellent work of the Policy staff and request that full financial support be provided in the FY12 budget. Policy Process Support – inclusive of support to the Policy Council and to the Working Groups, and other processes that support policy development, including resources for analysis, special studies, hosting and fully supporting policy development meetings, etc.

The policy development process managed by the GNSO's Council is a primary work engine within ICANN, and forms the majority of policy activities undertaken in terms of volume of policy work. The process is a bottom up, consensus based approach with a high requirement for active engagement with a growingly global group of stakeholders who bring great diversity to their policy interactions, in views, in language, and in time zones, and in level of technical or policy skills. The GNSO's policy management work needs to be supported by knowledgeable, skilled, and capable staff and processes.

The BC played a role in the early days of fighting to have dedicated policy staff, and we are appreciative of the quality and exceptional capability and professionalism of ICANN's Policy team and the GNSO's Secretariat.

We do think that the Council could use some more resources, and we are giving further thought to what that might be. However, in the interim, the BC urges that **travel funding for policy staff's full attendance at the face-to-face meetings be added to the budget**, in particular adding in additional travel funding if needed so that all policy staff can participate with the stakeholders during the face to face meetings.

In reality, this is the one time that the broader community and staff can interact face to face, and that is an incredibly important interaction, that augments and supports the remote interaction that we live with for the vast majority of our working together.

We also understand that the GNSO's Council is working through its change in roles to managing policy, rather than making policy. In this stage, more resources are likely to be needed to support the full range of working groups and processes to fully support the bottom up, consensus based approach that ICANN is built upon. It is difficult to fully project what additional resources might be added, and we also fully appreciate that the Constituencies/SGs themselves may actually be the place to put some of these resources, so that they can better support the Working Groups that are created.

Travel support for the GNSO Council's Working Groups to meet at some stage in their working cycle may also be a needed enhancement, and we may at a later date have a recommendation on that topic.

Travel support should continue for the meetings of the Nominating Committee representatives, and their meetings should be timed to coincide in all cases with the face to face ICANN meetings, so that these parties can travel to such meetings, and interact with the community, observe the interactions of Board and other organizations they are responsible to make appointments to. This may have a small additional impact on the budget since it would result in timing changes, where additional nights of hotel/per diem may be required.

Dedicated Communications Support and Expertise within the Policy Team:

Some of the work that the Policy team supports includes support to Board Reports and updates on policy topics when the Board seeks additional information. The pace of work within the GNSO's Council and its Working Groups is rapid, and the volume of work is high. Involvement of the diversity of stakeholders is an added challenge. As we noted, certain aspects of the work of the GNSO's policy council may require additional resources, or the use of retained experts, which may relieve the demands on the staff in some ways.

Reports prepared for the board should be publicly available, and this will help to maximize the work of the staff, while also supporting their role overall in informing the Board on policy issues and topics

Improving communications materials overall:

The BC's members find that the ability to understand and follow the work of ICANN is quite complex, and often the materials that support a baseline of understanding of any ICANN work are not fully supportive of what is needed to interest and engage with non-contracted parties.

The amount of materials produced is quite awesome. It may be that an additional higher level of documents could benefit all, and built on and support the excellent work from the policy team and other parts of ICANN. In such a case, adding a communications expert into the Policy team to support their work, could be a useful augmentation and a first place to start. This resource could support the supporting role that the Policy team owns in preparing the factually based reports to both the Board, and which should be available to the community of stakeholders.

Travel Support to Constituencies/to be allocated to Councilor/or other appropriate resources:

The continuation of the travel support to the Constituencies/SGS to enable them to support participation in the face-to-face meetings is a necessary budget item and should be continued. We support the present approach whereby the Constituencies/SGs authorize the funding to the 2 reps per entity. While this usually does end up supporting councilors, the flexibility to its allocation is important and has been of benefit when a councilor can't travel, or when it is possible to spread the funding across multiple attendees. Such flexibility by ICANN is an improvement over a rigid process and we want to commend ICANN for this improvement.

Expert Advise and Support:

Predicting when the Council will need to retain an expert for a subject matter under their purview is challenging. And, predicting when it might be necessary to call an emergency Council meeting just as challenging. We also propose that a budget contingency fund be established with a reasonable amount of funding – e.g. \$150,000 – that can be drawn on for short term urgent needs of retaining experts to support policy analysis throughout the year to support the existing expert staff. Or, should an emergency Council meeting be needed, could be used for that travel.

Communications services/website/transcripts, etc:

Our comments do not address the GNSO Council's needs for such services, as we would expect the Councilors/Chair of the Council to describe such services to support their policy management role. Instead, our comments are to support the need of the GNSO's Council and the Council Working Groups, or other working groups still engaged in restructuring work, and to describe our constituency's specific needs.

However, we will make a few comments about recent changes in practices that have had negative implications for the BC's members.

We note that special attention needs to be given to timely turnaround on transcripts, even if the only initial version is in English, with translations to follow.

Further, all council meetings should be not only recorded but transcribed, with a rapid turn around of transcripts. Rapid turn around means rapid, not days later.

The BC was concerned at the long delays in ICANN's provision of transcripts from the Cartagena Meeting and notes the need for full funding for such supportive tools and resources, at all face to face meetings, not only for main sessions, but for constituencies, if they so choose such a service, but also for the Council's and Working Groups. MP3 recordings are not adequate mechanisms since they are not helpful to non-English speakers. And not helpful, really, as a record of interaction for members who lack the time to sit through multiple recordings. While ICANN seemed to lower the support for transcripts in Cartagena, this was a mistake, in the view of the BC, and should remain a priority mechanism to fulfill transparency and accountability actions, as required by the AoC.

The present services, with the diversity of services; long investment in support to the broad needs of ICANN, and the ability to rapidly respond should be continued. Cost cutting initiatives should be avoided in this area, and in particular, boutique approaches should be avoided. ICANN's communications costs are undoubtedly a significant portion of the budget, but the tools and resources now in place are reliable and predictable, and stabilized and globally supported. . This is an important aspect to the ability of the staff to ensure stable and responsive communications support to the breadth of the stakeholders.

The AC/SO supported Services that are most important to the BC are:

Constituency Toolkit

We requested full budget support be provided to the BC via the constituency toolkit of services. The BC made a detailed submission as part of this Process on the 15th February. The principal requests were for:

Face to face meeting support – meeting rooms; communications support, etc.)

Teleconference Support – estimate 2-3 per month [2 of which are less than 10 people; one with 25-30 people]

Mailing lists management and archiving, (BC Public, BC Private, Executive Committee, Credentials Committee)

Transcripts/MP3 recordings of meetings,

Officer election assistance.

Outreach

The BC actively engages in outreach activities ranging from member meetings to interactions with business leaders at ICANN public meeting and other opportune occasions. We often include the Board and Governments in our outreach activities, as the BC has a priority concern about ICANN's own stability and functioning, as well as the GTLD policy issues.

In 2010, in conjunction with a local member, the BC hosted a dinner/reception in Nairobi for the African business community, and then included local business in our Tuesday CSG breakfast. In Brussels, we organized a major event with GAC and Board and business leaders, co sponsored by the BC and several of our members; with the significant support of a local member on organizing the event. We also held a special event in Washington DC in October 2010, organized and sponsored by the BC officers, and funded by the BC.

Overall, we budget to spend \$14,000 on outreach activities, just in terms of locations, food, and minimal materials such as brochures. We created and printed a high quality four page color brochure, and a two page factsheet in English and Spanish and certain other collateral support for a refresh of our website.

Current tentative discussions include plans for 2011 events extend to Brussels, Belgium; Madrid, Spain and Nairobi. Kenya.

We are working with our limited members budget and believe that this is an activity of great benefit to both the BC and the ICANN community in general. We recognize that constituencies will vary in their ability to self-fund, hence our proposal for a standard baseline of funding.

We are aware that the OSC Constituency and Stakeholder Group Operations Work Team has proposed an initiative that is centralized and dependent upon ICANN staff. That is not a model that we believe can work effectively. Instead, ICANN should focus its own support on creating improved materials that are usable by all parties who wish to do outreach and participation events. A suitable budget for travel for staff to support/speak as experts, when invited by constituencies/SGs is also important.

Proposed for Constituency support Fund: allocation of \$20,000 per Constituency/SG based on a proposal with objectives and activities. End of year report on outcomes. Treat as a pilot for 2012 budget year.

A single allocation per constituency/stakeholder group of \$20,000 which can be used either for events, or secretariat support, based on a proposal from the constituency, with agreed deliverables creates a level playing field, defines the parameters of ICANN's funding to such initiatives, and ensures that the focus is on the bottom up participation, not driven by staff.

We are making a specific proposal that in the BC case, we will present a proposal to ICANN for a pilot **business fellowship** initiative that we would jointly fund with ICANN, and manage, with the collaborative interaction of the present ICANN Fellowship program, as suitable. This would allow us to spend our limited BC members budget on the management of our constituency, policy development, website development, and materials to support our members policy interests. At the same time, we can undertake a suitable outreach initiative to focus on developing countries business executive participation in a limited and focused pilot. We would incorporate aspects and cooperation with the present Fellowship program into our initiative.

We prefer that support provided is featured as support to the constituency/SG, rather than centralized in permanent ICANN staff, and believe that is more consistent with the appropriate model for staff interaction within the SGS and Constituencies.

Security stability and resilience

SSR is a growing priority within the BC's membership. We will, however, note that many in the BC's membership have individually opposed an operational role for ICANN in a CERT. Since we are suggesting reprioritization of some aspects of the budget, it is important that we note the concern of the BC about how ICANN addresses certain topics, and that it maintains its bottom up, consensus based private sector led approach not only to policy, but to how it defines its activities that support its limited, but critical mission.

Comment on the framework process

The "Framework for the FY12 Operating Plan and Budget It is presented in a very user friendly 17 slide deck format. However the BC underlines its request for more detail.

We support the new idea of separating in the budget core activity and project activity. There is no breakdown for the framework cost for the ten listed project, only a sum total of \$11.1 million (about 20% of the ICANN budget). This makes it difficult to offer meaningful feedback. The BC has ordered them in BC perceived member priority.

Projects listed in the framework plan.

- Affirmation of Commitments reviews and Recommendations Implementation
- WHOIS Studies
- Global DNS SSR Symposium
- DNS Measurement & Metrics
- IANA Business Excellence
- DNSSEC Deployment and Training
- IDN Variant
- New gTLD project
- SLA Monitoring System Development
- Security Program Certifications (*Detail is needed for this project. When will detail will be provided?*)

Conclusion and voting:

We welcome the efforts that are emerging to improve the interaction by the COO and Controller with the leadership of the SOs/ACs and the entities within the GNSO – its constituencies and stakeholder groups regarding input to the operating plan and budget.

Submitted respectfully by the Vice Chair (Finance and Operations) for the Business Constituency.

Chris Chaplow

Level of Support of Members:

This document was posted to BC members for review and comment on 22-Mar-2011. Pursuant to our section 7.2 of the BC Charter, this document is deemed approved since no substantively opposing comments were received as of 4-Apr-2011.

Attesting BC Officer: Steve DelBianco, Vice Chair for policy coordination