Quest	tions & Responses		
#	Questions	Contributor	ICANN Response
ICAN	on Summary: N received questions seeking clarification of aspects of the tions and the responses to them	FY17 planning doo	cuments published on 5 March 2016. This document presents the
1.	Referring to: 4.1 – Overview of Transition and ImplementationThe 3rd paragraph on page 23 says: "A placeholder for the above activities was offered for a range of \$6m to \$9m, awaiting for a more detailed and comprehensive costs estimate." Is it correct to include that the \$6m to \$9m placeholder includes estimates for Track 1 (Root Zone Management), Track 2 (Stewardship Transition), 	CWG-Stewardship	Yes, it also includes the implementation work relative to Track 1 through Track 3. Implementation of Work Stream 2 (WS2) enhancements are not included.
2.	Referring to: 4.1 – Overview of Transition and Implementation The next paragraph says: "A project costs support team is currently being organized to define such activities and costs, and suggest funding solutions. The community input on possible funding approaches is welcome as part of the public comment submitted on this document." What team does this refer to? Who will be on the team? What types of solutions are being considered? Is this related to the CWG Design Team O work that is ongoing?	CWG-Stewardship	Yes, it also includes the implementation work relative to Track 1 through Track 3. Implementation of Work Stream 2 (WS2) enhancements are not included. This comment to the Project Cost Support Team (PCST) created in Marrakech including staff members who support the Community working groups to create costs estimates for the remainder of FY16 and for FY17.

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3.	Referring to: 4.2 – Focus on the Post-Transition IANA (PTI) implementationA graph is provided on page 24 to illustrate the planned post transition state. The graph and explanations of the numbered items are not very clear . A webinar should be held for the CWG and other interested parties with enough time prior to the end of the comment period to allow for CWG comments.	CWG-Stewardship	<ul> <li>Please refer to the comments below. Can you please reference which of the numbered items are unclear, so that we can provide written answers?</li> <li>We believe organizing a webinar would create scheduling issues which may result in a lack of transparency (ie a limited number of community members could participate), and we therefore suggest instead that we provide answers in writing.</li> </ul>
4.	Referring to: 4.3 - Focus on the IANA Functions Operating Plan and Budget A table is provided at the top of page 28 that shows a summarized view of the total IANA Functions costs, and its breakdown by operational community, and by the three sources of costs. How do the cost elements of the table correlate to the diagram of the IANA implementation in Section 4.2?	CWG-Stewardship	This response is written preAssuming that the table referred to in section 4.2 is the one appearing on page 23. If so, the summarized view of the total IANA Functions costs (on page 28) corresponds to the costs of the activities included in the two boxes surrounded by a blue outline in the graph on Section 4.2.
5.	Referring to: 7 - 2.1 Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystemAre we correct in concluding that the IANA Stewardship Transition, to the extent the costs of known, is included in the Operating Plan & Budget?	CWG-Stewardship	The IANA Stewardship Transition is included in the Operating Plan but there is currently no budget included, as the costs estimates are being produced through the PCST (as referred to above). The IANA functions budget (IANA and supporting departments) is included in the draft budget.
6.	Referring to: 7 - 2.1.7 Implementation of IANA Functions Stewardship Transition & Enhancing ICANN Accountability Is \$300K for personnel and \$800K for Professional Services enough for transition implementation? Refer to project cost spreadsheet.	CWG-Stewardship	This appears to be in the scope of a public comment rather than a clarifying question. Please submit as such.

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7.	<ul> <li>Referring to: 7.12 – 3.2 Ensure Structured coordination of ICANN's technical resources</li> <li>The second activity listed on pages 54-55 is: "Measure and compare metric for the IANA Functions against baseline for YoY improvement"</li> <li>This will need to include new SLEs once they are finalized.</li> </ul>	CWG-Stewardship	This appears to be in the scope of a public comment rather than a clarifying question. Please submit as such.
8.	Referring to: 7.12 – 3.2 Ensure Structured coordination of ICANN's technical resourcesHere is the description of Portfolio 3.2.3 Root Systems Operations on page 55: "Facilitating the continued evolution of the root server system to ensure its ongoing security, stability, and resiliency as DNS technology and operations change over time: maintenance of relationships with the Root Server Operators, RSSAC, and related stakeholders." Is this portfolio above and beyond the PTI budget and operational expenses for the number and protocol IANA services?	CWG-Stewardship	No, it portfolio 3.2.3 is included in the IANA/PTI functions.
9.	Referring to: Appendix B - FY17 IANA Operations by Activity Is it correct to assume that this appendix does not reflect changes that may occur after the transition occurs?	CWG-Stewardship	No, the appendix referenced in this question reflects the activities carried out in the IANA functions as foreseeable during FY17, assuming the transition occurs.

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10.	Referring to: Appendix B - FY17 IANA Operations by Activity	CWG-Stewardship	No, the table referenced in this question includes the new SLEs.
	In the last row of the table on page 70 for Stakeholder Engagement, second bullet says: "Includes drafting, renewing and finalizing annual SLA." Is it correct to assume that this does not include the new SLEs?		
11.	What is the methodology of the Registry fixed fees (New gTLD)?	ccNSO - SOP	Per the new gTLD registry agreement, the registries are charged an annual fixed fee of US\$25,000. This fee is based on the date of delegation and it is prorated in the quarter in which the gTLD is delegated. The increase in the number of new gTLDs from FY15 to the FY16 Forecast is 404. These gTLDs are delegated throughout the year. The increase expected from the FY16 Forecast to the FY17 Budget is 156.
			The impact of a full year of fixed fees for a total of 560 gTLDs is what is driving the 41% in the Registry fixed fees.
12.	What is the methodology for Registry transaction fees (New gTLD & Legacy gTLD)?	ccNSO - SOP	For transaction fees, all new gTLD registries are invoiced after exceeding a 50,000 transaction threshold. Once the transaction threshold is exceeded, the registry operator is subject to a fee of US\$0.25 per transaction. Sixty-eight percent of registry transactions for new gTLD registries have become billable.
			Transactions for the Legacy gTLD registries are subject to a fee without any threshold.
13.	Referring to: page 13	ccNSO - SOP	Please see best estimate revenue by category on page 14 of the draft FY17 Operating Plan & Budget
	What are the base (figures) for FY 2017?		

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14.	Referring to: headcount I am wondering why the headcount on the following chart (see also page 34) does not match with the headcount shown at page 34 or 11	ccNSO - SOP	Page 11 of the draft FY17 Operating Plan & Budget reflects headcount dedicated to baseline activities and multiyear projects. It does not include headcount dedicated to the IANA Stewardship Transition project. Page 34 of the draft FY17 Operating Plan & Budget reflects headcount dedicated to baseline activities, multiyear projects and the IANA Stewardship Transition project. In addition, page 11 includes end of year (EOY) headcount only and does not include average headcount. Average headcount reflects the headcount throughout the fiscal year based on the hiring plan. The EOY headcount reflects the headcount planned to be engaged at the end of the fiscal year (30 Jun 2017).					
15.	Referring to: GAC being classified as externalOn p. 51 NCSG questions 4.2.1 and GAC engagement being classified as external, rather than internal, support. Should GAC not be treated the same as other SOAC's? In the noncommercial community there are a number of members throughout the world that could benefit from this type of treatment through the NCSG. Other SG's likely have the same situation. Why the special treatment for the GAC?	Several GNSO community members	See Figure 1 below this table. Project 4.2.1 and GAC engagement is not classified as external work. It is working with governments through the GAC which is internal in the same way as working with root server operators through the RSSAC or Security experts through SSAC is internal work. It is under Strategic Objective 4 as Tarek Kamel is the shepherd for that strategic objective and the government engagement department provides the work under the goals supporting the objective. This is not special treatment for the GAC and is consistent with the type of work done by other departments working with other constituencies with in the ICANN community.					

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16.	Referring to: Empower Current and New Stakeholders to fully participate in ICANN Activities Some of the "Empower Current and New Stakeholders to fully participate in ICANN Activities" budget lines arequestionable. A zero budgeting for 124156 - Remote Participation. NextGen receiving twice the funding of the 'ongoing' Fellowship program? Where is the \$200,000 going to a "gender diversity" program being spent?	Several GNSO community members	<ul> <li>Remote participation refers to staff support and coordination efforts, and it includes staff time (in-kind) rather than in-cash support. On the other hand, remote hubs, for which resources have been budgeted for, covers technical/AV/infrastructure support. These two efforts complement one another.</li> <li>The reason for the NextGen versus Fellowship program discrepancy is due to travel funding. Unlike for NextGen, where travel costs for program participants are budgeted for by the Development and Public Responsibility Department (DPRD), costs for Fellows' travel are budgeted for through Constituency Travel. The travel budget for the Fellowship program is US\$0.8M and is budgeted in projects 124181, 124182, and 124183 in Portfolio 1.3.2 Reinforce Stakeholder Effectiveness, Collaboration and Communication Capabilities.</li> <li>The amount budgeted for travel, space and catering support for a total of 52 community members across two ICANN meetings (A &amp; C). This estimate is based on the high level of interest anticipated (and expressed to date). This pilot will be built using community input and involvement.</li> </ul>
17.	Referring to: Differences in regional engagement budgets What is the justification for spending triple the amount of money in some regions for Regional Engagement as in others (Asia v. NA)?	Several GNSO community members	When the Global Stakeholder Engagement regional & functional area budgets were created several years ago, emphasis was placed on putting resources into regions such as Asia-Pacific, Latin America & the Caribbean, Africa & the Middle East. This was done to bring these regions up to a level of support and coverage that had historically favored participants from North America & Europe. In the last two years, the budgets for the regions have largely remained steady, but the GSE team manages these resources in a way to make the best use across the regions. Funds may be allocated across the regions (for example, from Asia-Pacific to Latin America) as needed.

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18.	<b>Referring to: ICANN Technical University</b> In relation to the ICANN Technical University, what is the purpose of the ITU and where is it situated within ICANN?	Several GNSO community members	The ICANN Technical University is intended to provide a mechanism for staff and the community to better understand the technologies related to the unique identifiers ICANN helps coordinate. Examples of work done within the ICANN Technical University project would be the "How It Works" tutorials offered at the Buenos Aires, Dublin, and Marrakech meetings. It is a project within the Office of the Chief Technology Officer.
19.	Referring to: Top 15 projects There is the promise of a top 15 projects list to be published by March 31st. Has it been sent? Depending upon how it is compiled it may be very useful.	Several GNSO community members	Yes, it was published in both PDF (https://www.icann.org/en/system/files/files/proposed-opplan- budget-top-15-projects-fy17-08apr16-en.pdf) and Excel (https://www.icann.org/en/system/files/files/proposed-opplan- budget-top-15-projects-fy17-08apr16-en.xlsx) formats.
20.	Referring to: Revenue from registrar accreditation On page 13 of the FY17 Draft Budget, we note a \$2.4M decrease in Registrar Accreditation Fees from the FY16 Forecast. Can you please explain the root cause of this assumption?	Several GNSO community members	ICANN received an extraordinary number of registrar accreditation applications in the previous two fiscal years, mostly related to drop- catch activity. We generally believe that growth in this area is unlikely to continue at the same pace. As a result, the FY17 budget reflects a somewhat conservative assumption that application numbers will return to historical averages (approximately 10-15 per calendar quarter).
21.	Referring to: Ongoing baseline costs P. 14 & 15 – Is there a roadmap for the salesforce.com implementation and Public Responsibility costs for ongoing baseline costs?	Several GNSO community members	There is a roadmap. Ongoing costs for Salesforce.com are US\$450,000 in FY17 and US\$900,000 per year after that. These include staff and ongoing license costs.
22.	Referring to: Reason for most recent FY16 expenses forecast being lower than originally forecast P. 30 - What was the reason for the FY16 Expense decrease of \$13.5M from prior (Mar 2015) to current estimate (Feb 2016)?	Several GNSO community members	<ul> <li>The forecast for FY16 Program Expenses have been reduced based on lower actual costs through February 2016. The lower expenses were driven by:</li> <li>accelerated contracting in FY15,</li> <li>lower costs for outside legal expenses related to contracting,</li> <li>lower costs for the New gTLD team, and</li> <li>lower historical development costs recognized in FY16</li> </ul>

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23.	<ul> <li>Referring to: Planned staffing numbers</li> <li>Note a discrepancy on p.10 of budget that shows no net increase at 30 FTE at \$10.5M from FY17 to FY16</li> <li>Forecast. However, project level spreadsheet shows 33.2 FTE. Note also that the project level shows a total of \$10.7M. Approved FY16 Budget Summary did show 29FTE, so if 33.2 FTE is the accurate number and not the summary number, this equates to 3.2 FTE increase for FY17. Please confirm what the total planned FTE is for Goal 1.3.</li> <li>Figures 2 and 3 below this table were provided with this question.</li> </ul>	Several GNSO community members	The information in the ICANN Operations Resource Utilization on page 10 of the draft FY17 Operating Plan & Budget shows the draft FY17 budget by organizational group (departments) while the draft budget by ICANN's Management System shows the budget from a cross-functional perspective by Objective, Goal, Portfolio, and Project. The draft budget for the SO/AC Engagement and Policy Development group is US\$10.5M with 10 FTEs, which is allocated across multiple goals, portfolios and projects. The draft budget for Goal 3.1 Evolve policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive is US\$10.7M with 33.2 FTEs, which represents an allocation of costs from multiple ICANN groups (e.g., Policy, Travel Support, Multistakeholder Strategy & Strategic Initiatives, etc.).

## Figures

		EOY Headcount		EOY Hdct
	Baseline & Multiyear Projects	IANA Stewardship Transition	Total ICANN	Total ICANN
ICANN Ops	367	7	375	375
New gTLD Program	11	-	11	11
Total ICANN	378	7	386	386
	,	Average Headcount	:	Average Hdct
	Baseline & Multiyear Projects	IANA Stewardship Transition	Total ICANN	Total ICANN
ICANN Ops	366.5	7.6	374.1	374.1
New gTLD Program	11.0	-	11.0	11.0
Total ICANN	377.5	7.6	385.1	385.1

Figure 1 - Headcount

ICANN Operations by Function		FY17 Dra	aft Budget	t			FY16 F	orecast	t			In crease/	(Decrea	se)	
In Millions, USD	Baseline	Multiyear	Total	Avg. Hdct		Baseline	Multiyear	Total	Avg. Hdct	EOY	Baseline	Multiyear	Total	Avg. Hdct	EOY Hdct
Support and Revenue	\$132.4	Projects	\$132.4	Hact	Hact	\$120.8	Projects	\$120.8	Hact	нас	\$11.6	Projects	\$11.6	HOCL	Hact
Compliance & Safeguards	\$5.4	\$0.0	\$5.4	26.0	27	\$5.3	\$0.0	\$5.3	24.0	25	\$0.1	\$0.0	\$0.1	2.0	2
GDD: DNS, IANA, Ops	20.4	0.0	20.4	80.4	80	18.1	0.0	18.1	65.6	74	23	0.0	2.3	14.8	7
СТО	6.0	0.0	6.0	13.9	14	5.1	0.0	5.1	12.5	15	0.9	0.0	0.9	1.4	(1)
Strat. Initiatives & Reviews	3.8	1.7	5.5	10.1	10	3.0	0.0	3.0	5.5	8	0.8	1.7	2.5	4.6	3
Strategic Communications	9.5	0.0	9.5	25.0	25	8.1	0.0	8.1	20.7	22	1.4	0.0	1.4	4.3	3
GSE and Meetings Ops.	14.9	0.6	15.5	44.0	44	14.6	0.0	14.6	40.0	41	0.3	0.6	0.9	4.0	3
Gov Engagement	20	0.0	2.0	7.0	7	0.0	0.0	0.6	e 0	7	0.2	0.0	0.2	0.1	0
SO/AC Policy and Eng.	10.5	0.0	10.5	30.0	30	9.4	0.3	9.7	28.5	30	1.1	(0.3)	0.8	1.5	
Public Responsibility	29	0.8	3.0	0.0	•	0.0	2.0	2.0	7.0	0	25	(1/)	0.8	1.0	-
Governance support	11.7	0.0	11.7	21.9	22	10.1	0.0	10.1	16.4	19	1.6	0.0	1.6	5.5	3
Operations	16.7	0.4	17.1	45.0	45	16.3	0.0	16.3	36.7	41	0.4	0.4	0.8	8.3	4
IT & Cyber Security	21.1	2.5	23.6	60.1	60	20.1	2.5	22.6	48.9	54	1.0	0.0	1.0	11.1	6
Executive & Ombudsman	2.4	0.0	2.4	4.0	- 4	2.8	0.0	2.8	4.0	4	(0.4)	0.0	(0.4)	-	
New gTLD Allocation	(5.1)	0.0	(5.1)			(7.8)	0.0	(7.8)			27	0.0	2.7	-	-
Corporate	(1.5)	0.0	(1.5)	(8.9)	(9)	0.0	0.0	0.0	-		(1.5)	0.0	(1.5)	(8.9)	(9)
Contingency	5.0	0.0	5.0			1.2	0.0	1.2	-	-	3.8	0.0	3.8	-	-
Total Baseline Opex (Cash)	\$126.5	\$5.9	\$132.4	366.5	367	\$109.3	\$5.3	\$114.6	316.7	347	\$17.2	\$0.6	\$17.8	49.8	20
Excess/(Deficit)	\$5.9	(\$5.9)	\$0.0			\$11.5	(\$5.3)	\$6.2							

Figure 2 – First annotated chart referred to in question 22

## FY17 Draft Budget By Portfolio and Project 1-Evolve and further globalize ICANN

pat	Portfolios	Project ID	Project Name	Project Description	ente.	Personnel	Travel & Meetings	Profess. Svcs.	Admin	Capital	Total
	12	124628	ASO AC Policy Development Support - PYS7	Folloy development support for the ASD Address Council	-	0.0	0.0	0.0	0.0	0.0	0.0
		124488	ALAC Pariety Support Program - 17121	General Program Management for the ALAC, ALT and Rt-Large		-00	0.0	0.2	60	2.0	- 0.0
		- Section		Administration and management of all core internal		1207001	100	1992/07			1000
		124859	Policy - General Management Administration - PT 17	management processes and liaison efforts for department (e.g., finance, HK, etc.) This project is budget home for all		11	85	0.6	-14	2.0	1.9
		125228	General support cr550 and crTLD community Pr 17	All major support (secretarian) activities relating to support of		2.4	4.6	91	0.0	2.0	
	Contraction and the second second		PTC7 SC/RC Additional Budget Requests	FY17 SQIAC Additional Budget Requests	VFL®         Versioned         Meetings         Sec.         Add Meetings           present for ball AL AT sold along system of the index AT sold along system of the index interval sold index of the dependence index index	6.0	0.0				
	1.1.1 Support Failing Development, Failing				26.0				41	6.0	
	and the set of the second set		Travel Support for ICANN \$7	Tisuel support for ICAAN S7					100	44	
		10000	Traver Support for ICAWI SI	Support for travelers to ICANN 38					6.0		
		124281	Traver Support for (CMN) 18	Support for traveters to ICAM 30					60	2.0	
L-1 Particle particip Anticipation of an excession of anticipation to more an anticipation to more antici		12HIM	10-AC, GNIO FOF WIL F2F Meetings, F117	Due to progress exhibited in F155 and F158, moved to core		10000		0.01010	60	0.0	10000
		134605	10-HC, GHGD Council Development Session, P137	Out to pilot program success exhibited in PTUs moved to core budget, Budgeted for in Rolice Team PTUS Sto budget -			8.8	. 88	88	4.0	
COMPACT PROCESSES.		120782	10-82, intersessional Mtg for GM50 ftCPH, PV17						60	0.0	
		124782	Public Input - Management and Improvements, PVT						00	0.0	
THE REPORT			SO-AC Program Management, FY17						8.0	0.0	
Anise officient.		Pickager	20 wit work and a second autority with			- 82					0.5
effective and requiring		124865	10 AC Communications Management and Support, P117	tommunity calculation and engagement. This project identifies a number of specific Task* activities that support the development and muniquement of a number of spec		81	0.0	0.0	6.0	40	41
		10. A A A A A A A A A A A A A A A A A A A	30-8C, 0800 Secretariat Subject Program, PTS7	Staff will contrave the examing program three to a new 12- month period. CMMM staff and poolde and manage period. He has upport and a plot basis of estimativities and support resources to man command ORD communities objuinated of approximativit 20 Nours a west of hadport per community in P112. Anoth will not be provided directly to the community in P112. Anoth will not be provided directly to the		4.0	0.0	0.1	80	4.0	
	1.1.2 Reinforce Stateholder Effectiveners	Collaboration	ion and Communication Capabilities Tabal		6.0		3.5	8.1	8.0	4.0	41
		12049	Research Related to NS Model	Facilitate the development and publication of a schularly work that validates the multi-statisficitier model.	1		9.0	- 88	0.0	40	
	and a set of the second	28439	Strangic Planning - Integration & Systems Enhancements	Strategic Planning - Integration & Systems Enhancements, including developing a centralized tracking mechanism for monitoring findings, recommendations, and imprementation		-84	0.0	188	60	4.0	
	1.3.3 Evening Mattinuscheiter Mader	35439	Evolve Reviews as Accountability and Ingrovement Mechanisms	Develop and socialize a means of improving and evolving reviews, taking into consideration diverse points of view and work streams. Leverage findings from organizational and ATRY			0.6	. 88	34	0.0	- 00
		11300	testing instantion to be become     the exceptions the multi-instantion model     the exception of testing between the exception of testing instantion is become to the exception of testing instantion of testing instantion is become to test of testing instantion is become testing instantion instantion instantion instantion instantion instantion instantion in	0.0	80	5.0					
	and the second se	129947	Evolution of Numeranaholder Model Post-IANA Transition	Orgaing evolution of ICANV's multistatisticider model in a		01	0.0	0.2	0.0	0.0	02
	TAXABLE NOT THE OWNER WATER		and the second division of the second divisio		1.1				-	44	64
the substitute descent	printed and coversions processes, structures	and services	igs to be more accountable, includes, efficient, effective and resp	territe fater	15.2	55.6	14.5	31.3	50.5	10.0	110.7
	PROPERTY AND ADDRESS A			the second se	-						100.0

Figure 3 – Second annotated chart referred to in question 22