



Comments from the Internet Infrastructure Coalition (i2Coalition) On ICANN Draft FY19 Operating Plan and Budget and Five-Year Operating Plan Update

The Internet Infrastructure Coalition (i2Coalition) appreciates the opportunity to comment on ICANN's Draft FY19 Operating Plan and Budget and the current year update to the Five-Year Operating Plan.

The i2Coalition's diverse membership represents both large and small Internet infrastructure providers such as web hosting companies, software services providers, data centers, registrars and registries. The i2Coalition has several key goals within ICANN, but chief among them is continuing to build a voice for underrepresented parts of the Internet ecosystem – in particular web hosts, data centers and cloud infrastructure providers – and ensuring that accountability and transparency are paramount. The i2Coalition brings unique representation to ICANN as it is made up of companies representing the broad ecosystem of Internet infrastructure companies.

We offer general comments on the Draft FY19 Operating Plan and Budget.

ICANN is not an ordinary Non-Government Organization. ICANN plays a critical role in ensuring the security, stability, and resiliency of the IANA functions, and in particular, the DNS root zone. Appreciating this critical role is key to understanding the difference between ICANN and other organizations. The global economy has flourished due to the effective and centralized management of the DNS root zone. Due to the global economic importance of the DNS, ICANN needs to live within its current budget, and be conservative about how it operates under existing revenue streams. Raising fees on registrants (via contracted parties) is fiscally unwise. The ICANN organization should carefully balance its budgetary increases with the need to continue to properly and adequately allocate money for its core functions, and ensure that no monies spent are done so for activities that stray from the Mission of the organization.

In general, i2Coalition believes that the ICANN budget as presented is relatively fiscally conservative in appropriate ways. We offer up specific areas in which we take exception. They are as follows.

Specific comments:

1. **Mission and Metrics:** ICANN should make clearer a connection between budgeted expenses and their relation to fulfilling its stated Mission. This connection should include

not simply a dollar amount, but specific and measurable metrics to assess effectiveness, and future reporting on these metrics.

2. **Headcount:** ICANN headcount grew dramatically from FY17 – FY18. Though the proposed increases are relatively small going from FY18-FY19, in an environment with shrinking budgets, staff increases should not be considered at all. In fact, headcount should be decreasing. An assessment is required to determine whether each role at ICANN is essential in maintaining ICANN's Mission, and whether each role has metrics for success associated with it. If justification cannot be made for any role, a role should be cut and the overall headcount decreased.

ICANN needs to look at how it accomplishes its goals more creatively than simply adding headcount. One example - we acknowledge that Global Stakeholder Engagement (GSE) is responsible for leading engagement and outreach with stakeholders on ICANN and its Mission around the world. We suggest that headcount should not be increased at all here, particularly as resources such as ICANNWiki - which has good GSE value to the community as a learning and collaboration resource - is cut. While we agree that ICANNWiki should not be funded by ICANN long term, a step-down approach that shifts the burden to the community, could be far cheaper than increasing headcount any further. Many ICANN functions, not just GSE ones, can be effectively addressed through targeted investment in programs with trackable metrics for success. These are preferable to increasing or even maintaining current headcount.

3. **Growth expectations:** ICANN has based its budget off of an assumption that legacy TLD growth numbers (2.7% - 4.1% growth) will persist. Published industry-wide reports from Verisign and others show these numbers to be unrealistic. Domain growth is relatively flat. ICANN needs to work within a budget that reflects that.
4. **Participation and travel:** Active participation requirements need to be put in place for travel funding across the board. We are eager to see a comprehensive model on this, that encourages working group participation and doesn't merely consider attendance at ICANN meetings a sufficient metric for success.
5. **Business class rules:** We would appreciate seeing some additional common sense guidelines placed around travel upgrade policies, that ensure consistency but also avoid unnecessary business class expenses for short duration travel. In the past year, we have seen individuals who receive blanket business class travel get business tickets on even short flights such as Geneva to Copenhagen. This is an unreasonable expense in all cases.
6. **GDPR as a going concern:** The budget states: "Data privacy encompasses specific areas of work, such as GDPR implementation and the e-privacy directive, which have resources allocated for FY18, which is when ICANN org anticipates implementation work

for GDPR to conclude. Therefore, at this time, no resources have been allocated specifically for GDPR-related implementation work in FY19.” Also “Funding will not be available for any new or additional request for accelerated PDP work on priority policy issues, as part of core policy development allocated budget.” These do not seem realistic, given the complexity of the issues we are grappling with. We ask that these decisions be re-evaluated.

7. **Translation services:** Metrics exist to show whether documents that have been translated are viewed. Recommendations need to be made, based on collected data, on how much translation should be done. The goal should be to minimize translation costs in areas where usage seems minimal.

Concluding Comments

Thank you for the opportunity to comment. We look forward to continuing to work with the group as it moves toward finalizing its work.