

Xavier Calvez
Chief Financial Officer
ICANN

25 April 2018

Dear Xavier,

**Statement of the Generic Names Supporting Organization Council on
ICANN's Proposed Reserve Fund Replenishment Strategy**

The Generic Names Supporting Organization (GNSO) Council welcomes the opportunity to provide input on ICANN's proposed replenishment strategy for its Reserve Fund.

This statement is made on behalf of the GNSO Council and was prepared by the Council's Standing Committee on Budget and Operations (Standing Committee), whose membership includes both Councilors and Subject Matter Experts from across the GNSO. This is a topic which is of importance to all groups within the GNSO, and we believe that it is important that each has an opportunity to contribute its particular perspective. As such, these comments are intended to complement, and not replace, any input that may be provided on this issue by individual GNSO Stakeholder Groups and Constituencies.

Replenishment Period

The GNSO Council supports the proposed replenishment period which would see the Reserve Fund brought to the agreed target level in five or less years.

ICANN Org Contribution to the Reserve Fund

The GNSO Council supports in principle the proposal that ICANN org make an annual contribution to the Reserve Fund through operational savings. In the context of tightening budget constraints, we appreciate that ICANN will likely need to undergo an organizational restructuring in the service of its remit, and our concern is that this could impact the entities within ICANN, including the GNSO Council as manager of the GNSO policy development process. Thus, we would like to reiterate, as we have done in our recent comment on the proposed FY19 Budget and Operating Plan¹, that GNSO policy development and coordination is a core ICANN activity that must be prioritized with respect to other ICANN activities.

Overall, related to the ICANN budget, when ICANN is considering areas where cost savings might be able to be achieved, we ask for a defined rationale and that the community is consulted before any decisions are taken.

Financial Burden on Contracted Parties and, by extension, Domain Name Registrants

The GNSO Council does not support that ICANN impose a fee increase on the contracted parties to contribute to the Reserve Fund, as these costs will either directly or indirectly be passed on to domain name registrants. We anticipate all in the community will likewise oppose such an increase in fees.

¹ <https://mm.icann.org/pipermail/comments-fy19-budget-19jan18/2018q1/000037.html>

The GNSO Council appreciates the opportunity to share our perspectives on this important issue and we trust you will find our comments helpful. We would be happy to answer any clarifying questions that you may have regarding the contents of this document.

Yours sincerely,

Heather Forrest
GNSO Chair

Rafik Dammak
GNSO Council Vice Chair
Non-Contracted Parties House

Donna Austin
GNSO Council Vice Chair
Contracted Parties House