

Xavier Calvez
Chief Financial Officer
ICANN

8 February 2019

Dear Xavier,

**Statement of the Generic Names Supporting Organization Council on
ICANN's Draft Operating Plan and Budget for Fiscal Year 2020**

The Generic Names Supporting Organization (GNSO) Council welcomes the opportunity to provide input on those aspects of ICANN's proposed Operating Plan and Budget for the fiscal year 2020 which are of relevance to the GNSO Council's remit.

Thus, while this statement is made on behalf of the GNSO Council, our comments are intended to complement, and not replace, any input that may be provided on the proposed FY20 Operating Plan and Budget by individual GNSO Stakeholder Groups and Constituencies.

This comment 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. The Standing Committee focused its efforts on exploring whether or not the resources directed at policy development are appropriate, both in relation to current workload, and in view of planned policy activities for FY20 and the risks or threats to the fulfillment of the GNSO Council's responsibilities within ICANN's larger mission and remit.

As an overarching comment, the GNSO Council recognizes the significant improvements in the level of detail provided, which has been a consistent evolution in response to the ICANN community's feedback. However, the GNSO Council notes that the Budget is still presented in a way that makes it difficult for the community to be able to grasp at a glance where resources are being allocated. There is no implied criticism here of the current budget documents, however, moving forward we request that data be presented both at the current level of detail, and we request a high level "at a glance" summary approach, where we can easily see the bigger picture.

Accordingly, we ask that ICANN clearly and prominently show the community in a summary box in the budget documents the total projected expenditure in key buckets:

1. Total resources¹ allocated to support the ICANN communities, with breakdown of whether the resources are internal funding to ICANN staff, or devoted to the ICANN communities to themselves manage, such as but not limited to Additional Budget Requests and CROP;
2. Total resources allocated to ICANN staff and contractors, including but not limited to salaries, bonuses/at-risk component, professional development spend, and staff retreats;

¹ In all instances, where we refer to "resources" in our comment, we refer to the total cost of materials, equipment, travel, personnel, and other auxiliary costs incurred in order to carry out the given task(s). Costs should be allocated to the correct SO/AC and not rolled up broadly. For instance, when the GNSO-charted EPDP has a face-to-face meeting, the travel expenditure of ALAC representatives should be allocated to the ALAC and not to the GNSO.

3. Total resources being allocated to innovation and to ensuring ICANN org and the Domain Name System remains relevant and sustainable well into the future;
4. Total resources allocated to ICANN’s responsibility for accreditation and compliance aspects of support to the contracted parties and their ability to fulfill their contractual obligations;
5. Total resources devoted to registrants, including but not limited to compliance remediation; and
6. Total financial and staff resources devoted to the Board; including Board retreats, Board travel to external events, and projected requests for reimbursement.

This summary box should be published on the same page as the table outlining the total size of the projected budget for the coming fiscal year.

Our further comments provide both comments of a general nature, and then, comments of a more specific nature.

General Comments:

- The GNSO Council recognizes and takes seriously its responsibilities as a part of the Empowered Community. As we flagged in our comments last year, we have taken great care to examine the proposed budget to understand what resources have been allocated to each GNSO Stakeholder Group, and to the other Supporting Organizations and Advisory Committees. We are of course focused on the role and functions of the GNSO Council, but we recognize that we are part of a larger ecosystem within ICANN and thus we look to understand the “spend” across the full budget and operating plan.
- Although we have budget experts drawn from the various GNSO constituencies as part of our Standing Committee, we find it is extremely difficult to approximate the levels of financial support provided directly and indirectly to the various Supporting Organizations, Advisory Groups, and associated Stakeholder Groups and Constituencies. This information is essential for each of these groups, including the GNSO Council to hold ourselves, and others, mutually accountable. We appreciate that this information may be difficult to determine at this point in time, but we ask that you please provide us with what information you can at this point in time. If the information you can provide does not meet our expectations, we stand ready to assist the Finance Department in identifying how ‘actual costs’ could be assigned to relevant parties. As such, we ask that the following table be included in budgetary documents and pre-filled by ICANN org:

Structure	Actual Cost Last Available FY	Projected Cost Current FY	Projected Cost Next FY
<i>Supporting Organizations</i>			
• Address Supporting Organization			
• Country Code Names Supporting Organization			
• Generic Names Supporting Organization			
<i>Advisory Committees</i>			
• At Large Advisory Committee			
• Governmental Advisory Committee			

<ul style="list-style-type: none"> • Root Server System Advisory Committee 			
<ul style="list-style-type: none"> • Security and Stability Advisory Committee 			
<i>Other</i>			
<ul style="list-style-type: none"> • Nominating Committee 			
<ul style="list-style-type: none"> • Technical Liaison Group 			

- For this budget, and moving forward when future budgets are published, we ask that more specific information be made available:
 - Detailed projections of all anticipated Board travel, including for Board workshops and event travel and participation in public ICANN meetings, including event or workshop name, location, month of event or workshop, number of Board members expected to attend, size of accompanying staff delegation, and anticipated cost;
 - Detailed projections of all anticipated Staff travel, separated by travel to public ICANN meetings, travel for internal business purposes, and travel to fulfil community requests. These projections should include the name of event, location, month of event, size of staff delegation, responsible department, class of air travel, and whether the staff member attending is in the same geographic region as the event;
 - Detailed projections of all anticipated donations or sponsorships, in kind or financial, by ICANN.
- In addition, we request more specific information be consistently and periodically made available by ICANN org on a quarterly basis:
 - Detailed reports outlining all Board travel, including name of the Director, purpose of travel, whether the travel was booked 30 or more days in advance, and total cost to ICANN, and resultant report from the Board member made public, as is a requirement for community sponsored travel;
 - Detailed reports outlining all Staff travel, including name of the employee, purpose of travel, whether the travel was booked 30 or more days in advance, and total cost to ICANN, and staff report on the specific event, as is a requirement for community sponsored travel;
 - Detailed reports outlining events sponsored, in kind or financially, by ICANN, including the name of the event, the nature of the sponsorship, resources provided by ICANN, and benefit to ICANN in sponsoring this event.

Specific Comments:

- GNSO policy development and coordination are core ICANN activities that should be prioritized. We recognize that while the GNSO Council is heavily engaged in GNSO policy development, it is joined by the ccNSO and the ASO and ALAC and GAC in contributing to stable, multistakeholder policy development. Thus, we would like to understand what proportion of the organization’s spend can be reasonably connected to policy development activities, and we ask that ICANN org provide this information more clearly for all aspects of policy development and coordination.

- The GNSO Council anticipates that our active Policy Development Process Working Groups will require funds in FY20 in order to meet the terms of their respective charters. While specifics cannot be foreseen in detail at this time because we have not been provided with figures from FY19 or earlier years to approximate costs, we anticipate requiring resources for activities including:
 - face-to-face meetings outside of public ICANN meetings;
 - leadership training and skills development;
 - an annual Council induction; and
 - the provision of relevant professional expert assistance, such as independent facilitators, conflict resolution specialists, external legal advisors, and/or other relevant expert advice.
- The GNSO Council recognizes the substantial benefits that have been achieved by holding a Strategic Planning Session of the GNSO Council in the first quarter of 2018 and 2019. This session shaped our workplan throughout 2018 and saw us brainstorm, develop, and ultimately begin to implement our Policy Development Process 3.0. We would like to encourage the continuation of an annual strategic planning retreat as part of the core budget; but for now, we ask that resources be made available for a Strategic Planning Session of the GNSO Council in January or February 2020.
- The GNSO Council is disappointed to observe, yet again, the continued and unsustainable growth in the organization's overall personnel costs. As we stated in our comment last year, the GNSO Council believes that growth of staff numbers should only occur under explicit justification and replacements due to staff attrition should always occur with tight scrutiny; especially in times of stagnate funding levels. We were not alone in making these comments last year, and we believe there was a community consensus that the organization cannot continue to grow at its current scale and may need to consider reducing its size. In particular, we encourage ICANN org to provide more diligent explanations and justification for staff allocated to the Global Stakeholder Engagement team. It appears that more resources continue to migrate into programs that are more staff than broadly community driven and that continued cuts in community programs, such as CROP and Additional Budget Requests are sacrificed to more staff roles and staff decisions about who and what is funded, versus community proposals.
- The GNSO Council understands that there is no funding in the budget for the Document Drafting and Development Pilot Program. This program was used broadly by the GNSO's Stakeholder Groups and Constituencies, and we understand was well-received and created value for the ICANN community. We encourage ICANN to help reduce volunteer burnout by providing communities with 125 hours of research assistance in FY20.
- The GNSO Council understands from a review of the ICANN correspondence page that concerns have been raised by concerned members of the public that there are some contractors at ICANN who have titles akin to senior company directors and whom have hiring power, however, because of their secret contracts, their salaries are undisclosed in ICANN's regulatory filings. We do not support such hiring arrangements, and ask that ICANN org either 1) complete its 990 filings in a manner that lists all highly-paid directors, regardless of whether they are an employee or hired through an elaborate alternative arrangement, or 2) publish a supplementary document listing said arrangements and the total compensation being paid to Executive team members who are not technically employees.

- The GNSO Council believes it is necessary for ICANN to seriously evaluate the future of all of its capacity development programs, particularly its Fellowship program, NextGen@ICANN program, Global Indigenous Ambassador program, ICANN Academy and various other activities to the At Large Advisory Committee, including the upcoming At Large Summit. There is a perception within the GNSO that these programs have become bloated and ineffective, and that ICANN is trying to do too much. We ask that these programs be brought down to a scale more appropriate given current financial constraints. Initiatives of the Stakeholder Groups and Constituencies that are targeted and delivering more direct increases in engagement are being curtailed in favor of these programs. We expect that various GNSO Stakeholder Groups and/or Constituencies will express more detailed comments and provide concrete suggestions about the effectiveness of such programs to their own development of membership and engagement in policy development.
- The GNSO Council is concerned by the shrinking spend on Additional Budgetary Requests. While we appreciate there is a need to achieve operational efficiencies in order to replenish the Reserve Fund, it would appear to us that ICANN org is seeking to do this by penalizing the community, instead of cutting back on staff expenditure. In particular, we asked that envelope allocated to community Additional Budgetary Requests be returned to its previous, higher funding level. This concern extends to the Community Regional Outreach Program (CROP), which was slashed in size in FY19 and has become unusable for many parts of the GNSO. We ask that CROP return in size and scope to FY18 levels.
- The GNSO Council asks that resources be allocated in FY20 for a Non-Contracted Parties House Intersessional of equivalent size and scope of either FY17 or FY18. Funding for this resource was allocated in FY19, however as a gesture of good will the NCPH of the GNSO voluntarily agreed not to hold an Intersessional this year in order to help replenish the reserve fund. Moving forward, it was agreed that this would occur every two years. Accordingly, the next Intersessional should be in FY20.
- The GNSO Council requests ICANN org presents contingency spending with more detail. A single lump figure is not fully informative. We also believe that the budget should include a specific placeholder for activities rolled up into this envelope, otherwise we are not seeing an accurate budget. If we know what is not funded and could potentially need to be funded in the coming fiscal year, then we should know what the actual budget allocation could be.

The GNSO Council appreciates this opportunity to share our perspectives on these important issues. As the GNSO is a part of the Empowered Community we look forward to reviewing all inputs from the public comment process which addresses ICANN's broader strategy and budget. Finally, the GNSO Council would be happy to answer any clarifying questions that you may have regarding the contents of this document.

Yours sincerely,

Keith Drazek
GNSO Chair

Rafik Dammak
GNSO Council Vice Chair
Non-Contracted Parties House

Pam Little
GNSO Council Vice Chair
Contracted Parties House