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AT-LARGE ADVISORY COMMITTEE

ALAC Statement on the Draft FY24–28 Operating & Financial Plan and Draft FY24 Operating Plan & Budget

Ratification

On 14 December 2022, the Public Comment proceeding opened for the Draft FY24–28 Operating & Financial Plan and Draft FY24 Operating Plan & Budget. An At-Large workspace was created for the Public Comment submission. The At-Large Operations, Finance, and Budget Working Group (OFB-WG), decided it would be in the interest of end users to develop and submit an At-Large Advisory Committee (ALAC) statement. Ricardo Holmquist and Holly Raiche volunteered to draft the initial ALAC statement.

On 22 December, Holly Raiche presented to OFB-WG on initial positions for the ALAC statement. On 4 January 2023, Ricardo Holmquist drafted the initial ALAC statement, which was posted to its workspace by ICANN Policy staff in support of the At-Large community. The recommendations and At-Large positions were discussed during OFB-WG calls. At-Large members were invited to provide input during the call and via email. On 3 February 2023, the OFB-WG finalized the At-Large Public Comment submission for ALAC review.

Jonathan Zuck, ALAC chair, requested that the statement be sent out to ALAC to begin the ratification process via a vote. On 13 February 2023, ICANN org staff confirmed the online vote resulted in the ALAC endorsing the statement with 15 out of 15 votes in favor, 0 votes against, and 0 abstentions. Please note 100% of ALAC Members participated in the poll. The ALAC Members who participated in the poll are (alphabetical order by first name): Bill Jouris, Carlos Aguirre, Dave Kissoondoyal, Eduardo Diaz , Joanna Kulesza, Jonathan Zuck, Laura Margolis, Marcelo Rodriguez , Matthias Hudobnik, Maureen Hilyard, Naveed Bin Rais, Raymond Mamattah, Sarah Kiden, Satish Babu, Tommi Karttaavi.

Executive Summary

The At-Large Advisory Committee (ALAC) appreciates the opportunity to submit comments on the Draft FY24–28 Operating & Financial Plan and Draft FY24 Operating Plan & Budget as prepared by the participants of the At-Large Operations, Budget and Finance Working Group.

We would like to thank ICANN org for the important reduction of pages of this Operational Plan & Budget, without losing the explanations of the budget, operational plans, and initiatives. As it has been in the last years, it is presented in a very readable format, with bookmarks embedded in the document. We also appreciate the inclusion of the budget 'highlights' that provide a good summary of the two documents for those without the time to read both documents.

The At-Large community has provided comments on the following areas:

FINANCIAL PLANS AND BUDGETS
- Draft FY 24-28 Financial Plan
- Draft FY 24 Budget

OPERATING INITIATIVES
- Support the evolution and strengthening of the root server system and root zone management
- Facilitate the Domain Name System (DNS) Ecosystem improvements
- Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking
- Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policy Making
- Promote and Evolve the DNS Through Open and Transparent Processes That Enable Competition and Open Entry in Internet-Related Markets While Ensuring the Stability, Security, and Resiliency of the DNS
- Evolve and improve internal and external ethics policies
- Global Stakeholder Engagement
- Geopolitical Monitoring, Engagement and Mitigation

FUNCTIONAL ACTIVITIES
- Policy Development and Support
- Community Engagement and Services

Comments

DRAFT FY 24-28 FINANCIAL PLAN

The plan forecasts a "sharp deceleration and prolonged slowdown in growth." However, this is not reflected in the budget figures, where the following years show the same steady growth rate projected in the past 4-5 years.

The remaining numbers vary in the treatment of inflation. For example, it is good to see that inflation has been taken into account for personnel. However, it appears not to have been taken into account for travel, which is surprising since travel costs post-COVID have risen considerably.

Similarly, the amount budgeted for ICANN org's use of professional services and administrative expenses is expected to decrease despite the ongoing use of these services. These services are essential to support the work of At-Large volunteers and the ICANN Community as a whole and it is unclear what these decreases entail. There is also an expected increase in costs to support proposed outreach in preparation for Operational Readiness for Universal Acceptance (UA) and the new generic top-level domain (gTLD) round that we comment on later in this report.

DRAFT FY 24 BUDGET

For the Funds Under Management and its explanations, we have a concern regarding the Supplemental Fund for Implementation of Community Recommendations (SFICR) and grant of the auction proceeds funds.

Our concern relates to the cost of management of the SFICR and the auction proceeds funds. The SFICR was created with a funding of USD 20 million. According to documentation provided for FY24, it is planned to be USD 18 million, but the handling of the fund is expected to cost USD 4 million, which is 22% of the fund. This 4 million figure seems to be very high. The same situation applies to the auction proceeds funds: the planned distribution of grants is USD 10 million, but the management of the funds alone is expected to be USD 4 million, a 40% rate of grant/management which is very high.

Another concern we have is that the expected investment income for the auction proceeds funds and the reserve fund are listed at approximately 1%, which seems very low, when the rate for the sovereign bonds are at 3.5-4% yield, and bank interest rates are at the same level.

DRAFT FY 24 OPERATING PLAN: OPERATING INITIATIVES AND FUNCTIONAL ACTIVITIES

Operating Initiative: Support the Evolution and Strengthening of the Root Server System and Root Zone Management

Considerations

Section on 'Considerations' with observations:

- Success depends heavily on the stability and commitment of engineering resources.
- The greatest risk is the possible loss of development resources that are prioritized to other objectives.
- The inability of the IANA team to provide sufficient designs and requirements settings to inform development given its limited resources.
- Policy development work being done in the ICANN community, such as in the New gTLD Subsequent Procedures Policy Development Process and for the Internationalized Domain Names, must be monitored by someone with IANA expertise to ensure RZMS and the associated business processes will meet those emerging requirements.

At-Large believes that these considerations rely heavily on the IANA/PTI Budget, and it seems that the lack of additional full-time equivalents (FTEs) and the conservative increment of the personnel costs might be a problem. Root Server System and Root Zone management are the heart of the ICANN work. Appropriate hiring of (both in quantity and in knowledge) skilled personnel as FTEs, with strong competitive salaries, is a must.

Operating Initiative: Facilitate the Domain Name System (DNS) Ecosystem Improvements

At-Large applauds the inclusion of this new operating initiative. We appreciate the recognition of the need and desire to address the DNS abuse issues that have been the focus of many At-Large initiated discussions over the past few years.

Operating Initiative: Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking

Various issues were identified in the October 2020 paper *"Enhancing the Effectiveness of ICANN's Multistakeholder Model,"* and At-Large notes that the issues of prioritization, complexity, and roles and responsibilities are featured prominently in this operating initiative.

Prioritization: At-Large devoted a huge amount of time, and engaged in community-wide discussions to address the prioritization of important end-user issues relating to Work Stream 2 (WS2) of the Cross-Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) recommendations. This work was carried out broadly within our own community, specifically so that we could contribute to enhanced cross-community opportunities for ICANN "to improve its processes and efforts to ensure diverse and inclusive participation in its work on a continuing basis."

Complexity: The increasing complexity of the work taken on by ICANN org (including At-Large staff support) as well as the volunteers that participate in the ICANN Community is a continuing issue of concern. The At-Large community suggests a multi-pronged approach to address the complexity of the roles they are expected to play as community volunteers and as active participants in the ICANN ecosystem.

With regards to an identified consideration: "*as policy challenges facing the community become more legally and technically complex, the need for participants in the policy process to have the requisite expertise and experience could result in less diverse participation,*" At-Large believes that a multistakeholder system has to address increasing policy complexities while increasing and broadening onboarding opportunities for newcomers along with adequate incentives for veterans to keep them engaged.

We draw attention to the following issues emerging in our community as we cope with the increasing demands arising from the complexity problem:
- At-Large tries to focus on engaging its newcomers in already established systems, but realistically it is an added burden for established volunteers to have to take on training roles as well as maintain their active participation in their own areas of interest within ICANN.
- While At-Large appreciates the great support we get from current ICANN org staff, we need additional resources to support the great work that is done by members who attend the many meetings that are covered by the policy, operations and outreach working groups, as well as the social media and other community engagement programmes. We need additional staff on hand to support volunteer efforts in making programmes more effective and engaging.
- The lack of incentives and any recognition given to volunteers and the time volunteers devote to ICANN activities is problematic. We lost many valuable members during the COVID pandemic because of two and a half years of zoom meetings, and the frequency of meetings (one after another) was just too much. We are down to the stayers.
- Without these other voices representing the diversity of our At-Large community across regions, languages, cultures, professions, as well as ordinary end-user backgrounds, we do not have an effective and robust multistakeholder system.
- Retaining veteran participants would also help alleviate pressures on ICANN org staff who must deal with the ensuing knowledge gaps.

Taking these factors into consideration, At-Large welcomes ICANN org's plans to launch a Community Engagement System to provide records of reporting in relation to SOAC membership and their participation in policy processes. This will allow ICANN to track diversity and global representation across the ICANN Community. We look forward to seeing how this will be implemented but acknowledge that some recognition will finally be given to the participation by our diverse community in policy processes.

Policy Transition Training: At-Large welcomes the Pilot Policy Transition program to provide fellows and newcomers with specific knowledge about policy issues using subject matter experts. We highlight the importance of ensuring that participants in such programs are exposed to all points of view. While ICANN org provides support for a new pilot transition programme to train and engage specific groups of newcomers, such as NextGen or ICANN Fellows, it highlights inequity among the different types of participants within the ICANN Community.

Currently, there is no support offered to transition newcomers who enter directly into the At-Large or other parts of the ICANN community, many of whom are ordinary Internet end-users who arrive as an At-Large Structure (ALS) or as an individual member with insufficient idea of what ICANN does or its policy interests. But these are the people who are attracted to ICANN because they want to know more. While we can offer them ICANN Learn courses and online onboarding programmes, these do not completely lend themselves to building a relationship between newcomers and ICANN and its own complexity. There is inequity within ICANN as to how newcomers coming into the system are appropriately onboarded and educated about ICANN and its systems. It becomes an added burden that current volunteers are expected to train these newcomers or even existing members who also want to learn more about policy issues, for example through our own proposed Policy Ambassador programme, without any additional support or resources. This becomes an added responsibility loaded on top of their other expected participatory roles within At-Large.

Education and training outside of ICANN Learn should also be encouraged and supported. One example is the growth of regional and virtual **Schools of Internet Governance,** which offer participants a deeper understanding of the complexity of the world of internet governance which is a crucial perspective to bring to ICANN discussions, and vice versa.

Holistic Review - Scope: We recognize and applaud the inclusion of planning for and implementing the Pilot Holistic Review within the scope of this initiative. As noted: "During the pilot Planning Prioritization Framework exercise conducted in FY22, the Pilot Holistic Review was accorded the highest priority status by the community participants" (p19).

The At-Large believes this will be necessary to ensure that current structures continue to improve the overall effectiveness of ICANN as well as ensure optimal representation of community views (p131).

At-Large recognizes the importance of *"evolving and enhancing community governance, including revisions to constituency and stakeholder group charters and improvements to election processes"* and notes that this is among the recommendations of work stream 2 which are currently being addressed.

New Technical Tools
Resources: At-Large requests the ability to identify and submit requests for new technical tools to be used in order to support its participation in policy development and advice. This initiative suggests an "increase in the use of virtual meeting tools… will be needed to advance…policy projects as well as ensure continued global participation." The At-Large has a Technology Task Force Working Group that is a small expert group within our community who would like to trial new tech tools like Slack for communication, which add value in organizing our policy work.

New tools can enable us to be effective in developing consensus policy and better engage newer At-Large participants in ICANN's multistakeholder policy making activities. However, the ICANN org Technical Team has not allowed At-Large to purchase or use free versions of any new software (for example, Slack) because the tools have not been approved by ICANN Legal and by the ICANN Technical functions for community use. Without ICANN org approval, At-Large support staff are more limited to their ability in assisting At-Large volunteers in our policy making efforts. Moreover, we are not allowed to purchase these tools like Slack, use them, or attach them to our work as they are not approved. This lack of approval to test and adopt remains an obstacle in a path to lessening volunteer burnout and does not support any growth of effective participation by our community.

ICANN Public Meetings
Considerations: At-Large would welcome more stable management and coordination of ICANN Public Meetings, prep week, and frequency of plenary sessions since the change to a hybrid meeting structure. The hybrid meeting structure has already signaled a need for a review by community leaders including about the way future meetings should be coordinated. Even with the various considerations needed to be taken into account, ICANN persisted with incorporating the post-pandemic changes into the "same old" model. It has not worked and At-Large believes the planning process needs an overhaul.

Operating Initiative: Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policy Making

Resources: We agree with implementing a program that provides training and research opportunities for interested ICANN org staff to help them improve writing and analytical skills needed to support development of community policy recommendations. While we support this initiative, we also suggest that these programs be available to all participants and not just a select few.

Considerations: At-Large agrees with the need for more consistent, academic-quality policy research and data gathering and analysis that may need to be commissioned from outside the organization.

It is noted that *"Lack of robust data collection to date means that data-driven policy work has become difficult and time consuming and decisions may be made based on anecdotal rather than comprehensive factual evidence."* We have recently seen an example of this in the attempt to collect data on the effectiveness of the consensus play book through Zoom polls at stakeholder meetings. Any data collection needs to be carefully designed to ensure that all stakeholder communities have the same understanding of the questions being asked.

We appreciate that this is difficult in such a diverse community and understand that this may require outside expertise.

Operating Initiative: Promote and Evolve the DNS Through Open and Transparent Processes That Enable Competition and Open Entry in Internet-Related Markets While Ensuring the Stability, Security, and Resiliency of the DNS

The At-Large supports the "strengthening and evolving ICANN Org's bandwidth for strategy and engagement in order to help reach new stakeholders and to prepare more appropriately for potential up-coming round of new gTLDs." At-Large has appreciated having a voice at the table of discussions relating to UA and during the preparatory stages of a potential subsequent round of new gTLDs.

We appreciate the measures that have been incorporated into ICANN's operational readiness to ensure that progress of UA meets the expected results with regards to technology, UA-ready systems, training of technical stakeholders and creating greater public sector awareness.

We acknowledge that based on lessons learned from the previous round, more support will be given to the planning and preparations of new rounds along with a proposed budget for outreach and awareness programmes over a longer period before the opening of potential new rounds as recommended by the Operational Design Assessment (ODA). The use of the remaining funds of the 2012 round for this outreach, and cost recovery of application processing during the new round to be paid from applicants' fees makes sense.

Operating Initiative: Evolve and Improve Internal and External Ethics Policies

We appreciate this initiative, which is important to the At-Large community, as it focuses on the norms and interests of Internet end-users. Such policies are also necessary to ensure appropriate on-going interactions between the ICANN-wide communities as we work

collaboratively towards strengthening the multistakeholder model to facilitate diverse and inclusive participation, as well as strengthening the ICANN Community's decision making processes to ensure efficient and effective policy-making.

Operating Initiative: Global Stakeholder Engagement

At-Large would welcome the opportunity to support participating in ICANN outreach activities related to the ODA.

At-Large appreciates that more outreach and promotion to deliver the ODA recommendations for the new round of new gTLDS will be incorporated into the outreach goals of ICANN org Global Stakeholder Engagement (GSE) function with subsequent support during At-Large outreach and engagement programmes. Currently, the At-Large Regional At-Large Organizations (RALOs) receive three Community Regional Outreach Program slots for general outreach and engagement activities within their respective regions. However, At-Large would gladly support participating in ICANN outreach to help with raising awareness for new gTLD activities if there was some financial support to do so (similarly, as has been provided to support At-Large outreach teams coordinating and participating in UA regional activities for UA Day). It would be appropriate to include the same level of support including specifically assigned additional CROP slots for regionally based teams to help prepare for the potential of future rounds of new gTLDS and with particular relevance to the growing IDNs in South and Southeast Asia. As suggested (p184), it would be important and appropriate to develop region-specific plans for promoting the Applicant Support Program (ASP)in preparation for the proposed new round of New gTLDS.

Operating Initiative: Geopolitical Monitoring

Scope: *"Need for resources to monitor and compare information across various venues to detect the 'weak signals' early enough to identify trends and evaluate actions to address possible challenges. In certain cases, deliberations on issues related to ICANN's mission take place within multilateral settings behind closed doors without much, if any, information being released publicly."*

At-Large believes that early notification of such sessions to the ICANN community would be beneficial. At-Large also believes that briefings by ICANN org, as more information is released, would be helpful to lessen the chance of deliberations happening behind closed doors and ensures they do not become a black box practice.

The multistakeholder process requires accountability at all levels. At-Large appreciates that engagement at the geopolitical level is extremely complex but necessary and that some settings are less open than others.

Considerations: At-Large recognizes the "*Possibility of forging an alliance with an organization that takes the contrary position to ICANN's on a common issue*" but suggests that community input into such decisions **must be part** of the process.

Regarding the "potential perception from some in the community that reassignment of work might lead to a change in funding or reducing participation in events from a level to which the community previously had become accustomed," we suggest that such decisions should not be made top-down. The community should be involved in such decisions, not just "informed."

Functional Activities: Policy Development and Support

Policy development and advice
Resources: The At-Large community realizes the need for, and availability of, expert staff to support the community's work.. The kind of work that is done in the ICANN community, the need to support volunteers that make that work possible cannot be compared with other workplaces or staffing arrangements. It is unique and high levels of expert staff are essential.

Functional Activities: Community Engagement and Services

Governmental and intergovernmental organization and engagement
"Monitor and report on developments at the United Nations (U.N.), International Telecommunication Union (ITU), and other U.N. agencies, dealing with the World Summit on the Information Society (WSIS) +20 review, as well as development of the U.N. Cybercrime Convention and other relevant U.N. and ITU documents" (p74).

At-Large fully supports monitoring and reporting on developments at this level as essential. At-Large also sees visibility and presence as important. The community should continue to participate in message positioning where and when possible. We note that the proposed plenary session at ICANN76 re: WSIS +20 will be an opportunity for community input.

Conclusion

The At-Large Community appreciates the opportunity to comment on the Draft FY 24-28 Operating & Financial Plan and the Draft FY24 Operating Plan and Budget. We want to recognize the tremendous effort that ICANN org, in particular the ICANN org Planning Team, devotes to developing this cross-functional financial and operational plan for the ICANN Community to review and provide input on.