

IANA Transition Comments on the Draft FY17 Operating Plan & Budget from Chuck Gomes - Draft 2

These comments are submitted personally by Chuck Gomes with the support of the following participants in the CWG Stewardship Design Team O (IANA Budget): . The comments are provided after references to the relevant sections of the Draft FY17 Budget.

To facilitate understanding of the comments it may be helpful to refer to the Draft FY17 Operating Plan & Budget and supplemental documents. Links are provided at <https://www.icann.org/public-comments/op-budget-fy17-five-year-2016-03-05-en> in Section III to the Draft FY17 Operating Plan & Budget and to breakdown of costs at the project level.

4 - Overview of the IANA Stewardship Transition and implementation (including PTI)

4.2 – Focus on the Post-Transition IANA (PTI) implementation

A graph is provided on page 24 to illustrate the planned post transition state. The following elements of the graph and the explanations that are provided on subsequent pages raise the following questions:

- Will there need to be an IANA Department in ICANN after PTI is formed?
 - It is our understanding that PTI will provide IANA services for all three operational communities even though at the outset the protocol and numbers communities will likely contract directly with ICANN, not PTI. If our understanding is correct:
 - Why would there need to be any IANA operations in an IANA Department?
 - Why would there need to be an IANA Department budget as part of the ICANN budget?
 - If there is an IANA Department in ICANN, what would it consist of?
 - It is our understanding that all of the current IANA staff will be moved to PTI:
 - Is that correct?
 - If so, why would dedicated resources be needed?
- What is IAOC in the Protocols Parameter Community portion of the graph?
- On page 25, the post-transition ICANN Budget shows separate components for PTI (#4) and IANA Operations Budget (#6).
 - Why wouldn't the IANA Operations Budget be included in the PTI Budget?
 - In fact, why wouldn't the following elements shown for the IANA Operations Budget simply be parts of the PTI Budget: #3 – Direct Costs/Dedicated Resources; #7 – Direct Costs/Shared Resources; #8 – Support Services Allocations.
- On page 26, the description of Item #4, Post-Transition IANA (PTI) is: “New legal entity, destined to host activities and costs of the IANA functions in service of the Names community.”
 - As noted above, it is our understanding that PTI will provide IANA services for all three operational communities.
- If our understandings above are accurate, then edits should be made to the graph on page 24, the budget tables on page 25 and the descriptions on page 26.

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 with breakdowns by operational community and by the three sources of costs. It is our understanding that these costs include the costs for PTI and the IANA Department as shown in the diagram of the IANA implementation in Section 4.2 on page 24.

- First of all we want to say that the breakdowns are very helpful.
- Second, we would like to know what the PTI Specific Costs represent.
 - Aren't the three categories of costs above in the 'Names' column also specific to PTI?
 - A more detailed breakout of the PTI Specific costs is requested.
- Third, if our assumptions in our comments above for Section 4.2 are correct, then it seems like all of the costs shown in the table on page 28 should be shown as PTI costs; if not, an explanation is requested.

7 - FY17 Operating Plan & Budget – Description

7 - 2.1.7 Implementation of IANA Functions Stewardship Transition & Enhancing ICANN Accountability

On page 47, we note that \$1.1M is budgeted for this portfolio:

- The equivalent of one full-time person at a cost of \$300K
- \$800K for Professional Services.

From the spreadsheet that contains the breakout of costs by project, we see that this portfolio contains two projects both of which relate to enhancing ICANN Accountability.

- Is it safe to assume that the costs for implementation of the IANA Functions Stewardship are contained elsewhere?
 - If so it would be helpful to provide a reference in this section to where they can be found, especially since the portfolio title includes the implementation of the IANA functions.
- Is the \$1.1M the total amount planned in FY17 for ICANN Accountability?
 - If not, where are other funds budgeted?
- It is difficult to determine whether the budgeted costs will be sufficient for implementing the ICANN Accountability recommendations in FY17.
 - How were the cost estimates determined?
 - Is it possible to see the cost build-up?

7.12 – 3.2 Ensure Structured coordination of ICANN's technical resources

For this goal, the second activity listed on pages 54-55 is: "Measure and compare metric for the IANA Functions against baseline for YoY improvement". It undoubtedly does not need to be said that this will need to include the new SLEs once they are finalized.

Article 22 Fiscal and Strategic Matters

Section 22.4(b)(i) IANA Budget

“At least 45 days prior to the commencement of each fiscal year, ICANN shall prepare and submit to the Board a proposed annual budget of PTI and the IANA department, which budget shall include itemization of the direct costs for ICANN’s IANA department, all costs for PTI, direct costs for shared resources between ICANN and PTI and support functions provided by ICANN to PTI and ICANN’s IANA department for the next fiscal year (the “IANA Budget”), which shall be posted on the Website. Separately and in addition to the general ICANN planning process, ICANN shall require PTI to prepare and submit to the PTI Board a proposed annual operating plan and budget for PTI’s performance of the IANA functions for the next fiscal year (“PTI Budget”). ICANN shall require PTI to consult with the Supporting Organizations and Advisory Committees, as well as the Registries Stakeholder Group, the IAB and RIRs, during the PTI Budget development process, and shall seek public comment on the draft PTI Budget prior to approval of the PTI Budget by PTI. ICANN shall require PTI to submit the PTI Budget to ICANN as an input prior to and for the purpose of being included in the proposed Operating Plan (as defined in Section 22.5(a)) and ICANN Budget.” (pp.120-121)

- It not clear that the following two requirements in this section are consistent with each other:
 - From the first sentence: “At least 45 days prior to the commencement of each fiscal year, ICANN shall prepare and submit to the Board a proposed annual budget of PTI and the IANA department, . . .”
 - The last sentence: “ICANN shall require PTI to submit the PTI Budget to ICANN as an input prior to and for the purpose of being included in the proposed Operating Plan (as defined in Section 22.5(a)) and ICANN Budget.”
- To illustrate the concern, it may be helpful to look at these two requirements relative to the FY17 Operating Plan and Budget process.
 - The first sentence would require ICANN to prepare and submit to the Board a proposed annual budget of PTI not later than 16 May 2016.
 - The last sentence would require PTI to submit the PTI Budget to ICANN prior to 5 March when the Draft ICANN Operating Plan and Budget were posted for public comment.
- Why wouldn’t the Board approve the PTI Budget sooner than the ICANN Budget; the PTI Budget would have already gone through a public comment period and have been approved by the PTI Board before the public comment period started on the Draft ICANN Operating Plan and Budget, so why wouldn’t the Board approve the PTI Budget at their next possible meeting after the PTI Budget was approved by the PTI Board, which would then allow more time before the start of the next fiscal year to manage a possible IANA Budget rejection by the community?
- At a minimum, an explanation of the rationale for how and why the requirements in the first and last sentence fit should be provided.