

Preamble:

The cost estimate below corresponds to a "fully absorbed" IANA Operations cost for ICANN. It therefore reflects the benefit of leveraging economies of scale from ICANN's infrastructure and expertise of other functions. The fully absorbed IANA Operations cost within another entity would be different, as would be a "standalone" cost estimate as the cost of a fully operational and mature IT infrastructure would be higher, economies of scale would not exist, and additional costs of operating a separate organization would be created (relative for example to governance, communication, reporting,...).

The below analysis includes a placeholder estimate for the annual depreciation of assets, but does not include any capital costs, or representation of the value of the capital assets that are currently supporting the IANA functions as operated by ICANN.

US Dollars in millions	Using the FY15 Budget basis	Description
[A] Direct Costs (IANA department)	\$2.4	These costs cover direct and dedicated personnel (12 employees) and associated costs assigned to delivering the IANA functions: registration and maintenance of protocol parameter registries; allocation of Internet numbers and the maintenance of the Internet number registries; validation and processing of root zone change requests as well as maintenance of the root zone registry; management of the .int and .arpa domains; and holder of the root zone key signing key for the security of the DNS root zone.
[B] Direct Costs (Shared resources)	\$1.9	<p>Within ICANN, other departments than the IANA department perform or participate to processes directly related to the delivery of the IANA functions.</p> <p>The costs of the activities carried out by other departments to perform the IANA Operations were evaluated by each department's budget owners by identifying the direct external costs (professional services, infrastructure,...), and estimating the time spent by personnel from the department on the identified activities valued at the annual cost of each employee (base+benefits).</p> <p>See in Appendix the full description of the activities that are carried out by those departments, which are summarized below:</p> <ul style="list-style-type: none"> - Request processing - IT - Root Key Signing - IT, Registry technical Services, SSR, GSE - IANA Website - IT, Legal, Web-admin - Protection of data and systems - IT, Security, Legal - Continuity and Contingency of service - IT - Conflict of Interest assertions - IT, Legal - Monthly reporting of performance - IT, Legal, Gov. Engagement - Administrative support (shared with Compliance) - Annual updates to Agreements - Legal <p>The Direct costs of shared resources also include a placeholder estimate for the depreciation costs of capital assets of 0.5m.</p>
[C] Support functions allocation	\$2.0	<p>Support functions which organize the ability for operational activities to be carried out.</p> <p>The total costs of these functions [D], after excluding the shared from those functions included in [B], were divided by the total costs of operational functions [E], to determine a percentage of support functions $([D]+[E]) = \text{total costs of ICANN Operations}$.</p> <p>This percentage was then applied to the total costs of IANA (both IANA department direct costs and shared resources direct costs as defined above), to determine a cost of support function allocated to IANA. This cost [C] is additive to [A] and [B].</p> <p>List of functions included:</p> <ul style="list-style-type: none"> - Executive - Communications - Operations (HR, Finance, Procurement, ERM, PMO/BI, HR development, Operations Executive, Administrative / Real Estate) - IT (cyber-security, admin, infrastructure, PMO, Staff facing solutions) - Governance support (Legal, Board support, Normcom)
Total Functional costs of IANA Operations	\$6.3	

Appendix

[B] Direct costs (shared resources), associated with operations of the IANA functions

Function and dependencies on other ICANN departments:

- 1) Request processing
 - a. RT trouble ticketing system supported and provided by IT
 - b. RZMS software development, support and maintenance by IT
 - c. Email system provided and supported by IT
 - d. On-line connectivity provided and supported by IT
 - e. OFAC checks supported by Legal
 - f. Board resolutions reviewed by Legal/sometimes drafted by Legal. Delegation/Redelegation Reports reviewed by Legal on as as-needed basis
 - g. All hardware and infrastructure provided and supported by IT
 - h. Support from GSE to gather information for ccTLD requests
- 2) Root Key Signing
 - a. Roles in ceremonies by IT, Registry Technical Services, SSR, Strategy, GSE, and program department
 - b. Suite of Security documents reviewed and adopted by SSR and IT departments
 - c. Facility rent and connectivity to the Key Management Facility (KMF) provided by IT
 - d. DNSSEC SysTrust Audit requires work samples from IT, Legal, and SSR
 - e. Third Party Contract/RFP prepared by Procurement and reviewed by Legal
- 3) IANA Website
 - a. Hardware provided, administered, and supported by IT
 - b. Contract compliance requirements reviewed by Legal
 - c. Web-admin support to post reports and documents on ICANN website
- 4) Security to protect data and systems
 - a. Security plan reviewed and accepted by IT and SSR
 - b. Reviewed by Legal prior to submission to NTIA
- 5) Continuity and Contingency of service
 - a. Dependent on IT and Finance
 - b. Plan reviewed by IT, SSR, HR, Legal, and Finance prior adoption
- 6) Conflict of Interest compliance
 - a. Annual report prepared by HR and Legal
- 7) Monthly reporting of performance
 - a. Posted on hardware maintained and administered by IT
 - b. Contract compliance requirements reviewed by Legal
- 8) Customer Service Survey
 - a. RFP prepared by Procurement
 - b. Final report from 3rd party reviewed by Legal prior to posting
- 9) Administrative support
 - a. Share Administrative Assistant with Contractual Compliance – 50% dedicated to supporting IANA department
- 10) Annual updates to Agreements
 - a. Legal review of annual Supplemental Agreement to the IETF MOU