

P1. Annex P: IANA Operations Cost Analysis

1429 **Preamble:**

1430 The cost estimate below corresponds to a "fully absorbed" IANA Functions 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 Functions 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...).

1431 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.

Part 1: Response from the Domain Names Community

<p>[B] Direct Costs (Shared resources)</p>	<p>\$1.9</p>	<p>Within ICANN departments other than the IANA department perform or participate in 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 Functions 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>The full description of the activities that are carried out by those departments are summarized below:</p> <ul style="list-style-type: none"> - Request processing - IT - Root Key Signing - IT, Registry technical Services, SSR, CSE
<p>[C] Support functions allocation</p>	<p>\$2.0</p>	<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]= 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, NomCom)
<p>Total Functional costs of IANA Functions operations</p>	<p>\$6.3</p>	

1432 [B] Direct costs (shared resources), associated with operations of the IANA Functions and dependencies on other ICANN departments:

21) Request processing

- a) RT trouble ticketing system supported and provided by IT