Questions & Responses

#	Questions	Contributor	ICANN Response
Section Summary: ICANN received questions seeking clarification of aspects of the FY17 planning documents published on 5 March 2016. This document presents the questions and the responses to them			
1.	**Referring to: 4.1 – Overview of Transition and Implementation** The 3rd paragraph on page 23 says: "A placeholder for the above activities was offered for a range of $6m to $9m, awaiting for a more detailed and comprehensive costs estimate." Is it correct to include that the $6m to $9m placeholder includes estimates for Track 1 (Root Zone Management), Track 2 (Stewardship Transition), Track 3 (Work stream 1 Accountability Enhancements) and Work stream 2 Accountability Enhancements?	CWG-Stewardship	Yes, it also includes the implementation work relative to Track 1 through Track 3. Implementation of Work Stream 2 (WS2) enhancements are not included.
2.	**Referring to: 4.1 – Overview of Transition and Implementation** The next paragraph says: "A project costs support team is currently being organized to define such activities and costs, and suggest funding solutions. The community input on possible funding approaches is welcome as part of the public comment submitted on this document." What team does this refer to? Who will be on the team? What types of solutions are being considered? Is this related to the CWG Design Team O work that is ongoing?	CWG-Stewardship	Yes, it also includes the implementation work relative to Track 1 through Track 3. Implementation of Work Stream 2 (WS2) enhancements are not included. This comment to the Project Cost Support Team (PCST) created in Marrakech including staff members who support the Community working groups to create costs estimates for the remainder of FY16 and for FY17.

#	Questions	Contributor	ICANN Response
3.	**Referring to: 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 graph and explanations of the numbered items are not very clear . A webinar should be held for the CWG and other interested parties with enough time prior to the end of the comment period to allow for CWG comments.	CWG-Stewardship	• Please refer to the comments below. Can you please reference which of the numbered items are unclear, so that we can provide written answers? • We believe organizing a webinar would create scheduling issues which may result in a lack of transparency (ie a limited number of community members could participate), and we therefore suggest instead that we provide answers in writing.
4.	**Referring to: 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, and its breakdown by operational community, and by the three sources of costs. How do the cost elements of the table correlate to the diagram of the IANA implementation in Section 4.2?	CWG-Stewardship	This response is written preAssuming that the table referred to in section 4.2 is the one appearing on page 23. If so, the summarized view of the total IANA Functions costs (on page 28) corresponds to the costs of the activities included in the two boxes surrounded by a blue outline in the graph on Section 4.2.
5.	**Referring to: 7 - 2.1 Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystem** Are we correct in concluding that the IANA Stewardship Transition, to the extent the costs of known, is included in the Operating Plan & Budget?	CWG-Stewardship	The IANA Stewardship Transition is included in the Operating Plan but there is currently no budget included, as the costs estimates are being produced through the PCST (as referred to above). The IANA functions budget (IANA and supporting departments) is included in the draft budget.
6.	**Referring to: 7 - 2.1.7 Implementation of IANA Functions Stewardship Transition & Enhancing ICANN Accountability** Is $300K for personnel and $800K for Professional Services enough for transition implementation? Refer to project cost spreadsheet.	CWG-Stewardship	This appears to be in the scope of a public comment rather than a clarifying question. Please submit as such.

#	Questions	Contributor	ICANN Response
7.	**Referring to: 7.12 – 3.2 Ensure Structured coordination of ICANN's technical resources** The second activity listed on pages 54-55 is: "Measure and compare metric for the IANA Functions against baseline for YoY improvement" This will need to include new SLEs once they are finalized.	CWG-Stewardship	This appears to be in the scope of a public comment rather than a clarifying question. Please submit as such.
8.	**Referring to: 7.12 – 3.2 Ensure Structured coordination of ICANN's technical resources** Here is the description of Portfolio 3.2.3 Root Systems Operations on page 55: "Facilitating the continued evolution of the root server system to ensure its ongoing security, stability, and resiliency as DNS technology and operations change over time: maintenance of relationships with the Root Server Operators, RSSAC, and related stakeholders." Is this portfolio above and beyond the PTI budget and operational expenses for the number and protocol IANA services?	CWG-Stewardship	No, it portfolio 3.2.3 is included in the IANA/PTI functions.
9.	**Referring to: Appendix B - FY17 IANA Operations by Activity** Is it correct to assume that this appendix does not reflect changes that may occur after the transition occurs?	CWG-Stewardship	No, the appendix referenced in this question reflects the activities carried out in the IANA functions as foreseeable during FY17, assuming the transition occurs.

#	Questions	Contributor	ICANN Response
10.	**Referring to: Appendix B - FY17 IANA Operations by Activity** In the last row of the table on page 70 for Stakeholder Engagement, second bullet says: "Includes drafting, renewing and finalizing annual SLA." Is it correct to assume that this does not include the new SLEs?	CWG-Stewardship	No, the table referenced in this question includes the new SLEs.
11.	What is the methodology of the Registry fixed fees (New gTLD)?	ccNSO - SOP	Per the new gTLD registry agreement, the registries are charged an annual fixed fee of US$25,000. This fee is based on the date of delegation and it is prorated in the quarter in which the gTLD is delegated. The increase in the number of new gTLDs from FY15 to the FY16 Forecast is 404. These gTLDs are delegated throughout the year. The increase expected from the FY16 Forecast to the FY17 Budget is 156. The impact of a full year of fixed fees for a total of 560 gTLDs is what is driving the 41% in the Registry fixed fees.
12.	What is the methodology for Registry transaction fees (New gTLD & Legacy gTLD)?	ccNSO - SOP	For transaction fees, all new gTLD registries are invoiced after exceeding a 50,000 transaction threshold. Once the transaction threshold is exceeded, the registry operator is subject to a fee of US$0.25 per transaction. Sixty-eight percent of registry transactions for new gTLD registries have become billable. Transactions for the Legacy gTLD registries are subject to a fee without any threshold.
13.	**Referring to: page 13** What are the base (figures) for FY 2017?	ccNSO - SOP	Please see best estimate revenue by category on page 14 of the draft FY17 Operating Plan & Budget

#	Questions	Contributor	ICANN Response
14.	**Referring to: headcount** I am wondering why the headcount on the following chart (see also page 34) does not match with the headcount shown at page 34 or 11	ccNSO - SOP	Page 11 of the draft FY17 Operating Plan & Budget reflects headcount dedicated to baseline activities and multiyear projects. It does not include headcount dedicated to the IANA Stewardship Transition project. Page 34 of the draft FY17 Operating Plan & Budget reflects headcount dedicated to baseline activities, multiyear projects and the IANA Stewardship Transition project. In addition, page 11 includes end of year (EOY) headcount only and does not include average headcount. Average headcount reflects the headcount throughout the fiscal year based on the hiring plan. The EOY headcount reflects the headcount planned to be engaged at the end of the fiscal year (30 Jun 2017). **See Figure 1 below this table.**
15.	**Referring to: GAC being classified as external** On p. 51 NCSG questions 4.2.1 and GAC engagement being classified as external, rather than internal, support. Should GAC not be treated the same as other SOAC's? In the noncommercial community there are a number of members throughout the world that could benefit from this type of treatment through the NCSG. Other SG's likely have the same situation. Why the special treatment for the GAC?	Several GNSO community members	Project 4.2.1 and GAC engagement is not classified as external work. It is working with governments through the GAC which is internal in the same way as working with root server operators through the RSSAC or Security experts through SSAC is internal work. It is under Strategic Objective 4 as Tarek Kamel is the shepherd for that strategic objective and the government engagement department provides the work under the goals supporting the objective. This is not special treatment for the GAC and is consistent with the type of work done by other departments working with other constituencies with in the ICANN community.

#	Questions	Contributor	ICANN Response
16.	**Referring to: Empower Current and New Stakeholders to fully participate in ICANN Activities** Some of the "Empower Current and New Stakeholders to fully participate in ICANN Activities" budget lines are...questionable. A zero budgeting for 124156 - Remote Participation. NextGen receiving twice the funding of the 'ongoing' Fellowship program? Where is the $200,000 going to a "gender diversity" program being spent?	Several GNSO community members	• Remote participation refers to staff support and coordination efforts, and it includes staff time (in-kind) rather than in-cash support. On the other hand, remote hubs, for which resources have been budgeted for, covers technical/AV/infrastructure support. These two efforts complement one another. • The reason for the NextGen versus Fellowship program discrepancy is due to travel funding. Unlike for NextGen, where travel costs for program participants are budgeted for by the Development and Public Responsibility Department (DPRD), costs for Fellows' travel are budgeted for through Constituency Travel. The travel budget for the Fellowship program is US$0.8M and is budgeted in projects 124181, 124182, and 124183 in Portfolio 1.3.2 Reinforce Stakeholder Effectiveness, Collaboration and Communication Capabilities. • The amount budgeted for under the gender diversity project pilot includes an estimate for travel, space and catering support for a total of 52 community members across two ICANN meetings (A & C). This estimate is based on the high level of interest anticipated (and expressed to date). This pilot will be built using community input and involvement.
17.	**Referring to: Differences in regional engagement budgets** What is the justification for spending triple the amount of money in some regions for Regional Engagement as in others (Asia v. NA)?	Several GNSO community members	When the Global Stakeholder Engagement regional & functional area budgets were created several years ago, emphasis was placed on putting resources into regions such as Asia-Pacific, Latin America & the Caribbean, Africa & the Middle East. This was done to bring these regions up to a level of support and coverage that had historically favored participants from North America & Europe. In the last two years, the budgets for the regions have largely remained steady, but the GSE team manages these resources in a way to make the best use across the regions. Funds may be allocated across the regions (for example, from Asia-Pacific to Latin America) as needed.

#	Questions	Contributor	ICANN Response
18.	**Referring to: ICANN Technical University** In relation to the ICANN Technical University, what is the purpose of the ITU and where is it situated within ICANN?	Several GNSO community members	The ICANN Technical University is intended to provide a mechanism for staff and the community to better understand the technologies related to the unique identifiers ICANN helps coordinate. Examples of work done within the ICANN Technical University project would be the "How It Works" tutorials offered at the Buenos Aires, Dublin, and Marrakech meetings. It is a project within the Office of the Chief Technology Officer.
19.	**Referring to: Top 15 projects** There is the promise of a top 15 projects list to be published by March 31st. Has it been sent? Depending upon how it is compiled it may be very useful.	Several GNSO community members	Yes, it was published in both PDF (https://www.icann.org/en/system/files/files/proposed-opplan-budget-top-15-projects-fy17-08apr16-en.pdf) and Excel (https://www.icann.org/en/system/files/files/proposed-opplan-budget-top-15-projects-fy17-08apr16-en.xlsx) formats.
20.	**Referring to: Revenue from registrar accreditation** On page 13 of the FY17 Draft Budget, we note a $2.4M decrease in Registrar Accreditation Fees from the FY16 Forecast. Can you please explain the root cause of this assumption?	Several GNSO community members	ICANN received an extraordinary number of registrar accreditation applications in the previous two fiscal years, mostly related to drop-catch activity. We generally believe that growth in this area is unlikely to continue at the same pace. As a result, the FY17 budget reflects a somewhat conservative assumption that application numbers will return to historical averages (approximately 10-15 per calendar quarter).
21.	**Referring to: Ongoing baseline costs** P. 14 & 15 – Is there a roadmap for the salesforce.com implementation and Public Responsibility costs for ongoing baseline costs?	Several GNSO community members	There is a roadmap. Ongoing costs for Salesforce.com are US$450,000 in FY17 and US$900,000 per year after that. These include staff and ongoing license costs.
22.	**Referring to: Reason for most recent FY16 expenses forecast being lower than originally forecast** P. 30 - What was the reason for the FY16 Expense decrease of $13.5M from prior (Mar 2015) to current estimate (Feb 2016)?	Several GNSO community members	The forecast for FY16 Program Expenses have been reduced based on lower actual costs through February 2016. The lower expenses were driven by: • accelerated contracting in FY15, • lower costs for outside legal expenses related to contracting, • lower costs for the New gTLD team, and • lower historical development costs recognized in FY16

#	Questions	Contributor	ICANN Response
23.	**Referring to: Planned staffing numbers** Note a discrepancy on p.10 of budget that shows no net increase at 30 FTE at $10.5M from FY17 to FY16 Forecast. However, project level spreadsheet shows 33.2 FTE. Note also that the project level shows a total of $10.7M. Approved FY16 Budget Summary did show 29FTE, so if 33.2 FTE is the accurate number and not the summary number, this equates to 3.2 FTE increase for FY17. Please confirm what the total planned FTE is for Goal 1.3. **Figures 2 and 3 below this table were provided with this question.**	Several GNSO community members	The information in the ICANN Operations Resource Utilization on page 10 of the draft FY17 Operating Plan & Budget shows the draft FY17 budget by organizational group (departments) while the draft budget by ICANN's Management System shows the budget from a cross-functional perspective by Objective, Goal, Portfolio, and Project. The draft budget for the SO/AC Engagement and Policy Development group is US$10.5M with 10 FTEs, which is allocated across multiple goals, portfolios and projects. The draft budget for Goal 3.1 Evolve policy development and governance processes, structures and meetings to be more accountable, inclusive, efficient, effective and responsive is US$10.7M with 33.2 FTEs, which represents an allocation of costs from multiple ICANN groups (e.g., Policy, Travel Support, Multistakeholder Strategy & Strategic Initiatives, etc.).

Figures

	EOY Headcount				EOY Hdct
	Baseline & Multiyear Projects	IANA Stewardship Transition	Total ICANN		Total ICANN
ICANN Ops	367	7	375		375
New gTLD Program	11	-	11		11
Total ICANN	**378**	**7**	**386**		386

	Average Headcount				Average Hdct
	Baseline & Multiyear Projects	IANA Stewardship Transition	Total ICANN		Total ICANN
ICANN Ops	366.5	7.6	374.1		374.1
New gTLD Program	11.0	-	11.0		11.0
Total ICANN	**377.5**	**7.6**	**385.1**		385.1

Figure 1 - Headcount

ICANN Operations by Function	FY17 Draft Budget					FY16 Forecast					Increase/(Decrease)				
In Millions, USD	Baseline	Multiyear Projects	Total	Avg. Hdct	EOY Hdct	Baseline	Multiyear Projects	Total	Avg. Hdct	EOY Hdct	Baseline	Multiyear Projects	Total	Avg. Hdct	EOY Hdct
Support and Revenue	$132.4		$132.4			$120.8		$120.8			$11.6		$11.6		
Compliance & Safeguards	$5.4	$0.0	$5.4	26.0	27	$5.3	$0.0	$5.3	24.0	25	$0.1	$0.0	$0.1	2.0	2
GDD: DNS, IANA, Ops	20.4	0.0	20.4	80.4	80	18.1	0.0	18.1	65.6	74	2.3	0.0	2.3	14.8	7
CTO	6.0	0.0	6.0	13.9	14	5.1	0.0	5.1	12.5	15	0.9	0.0	0.9	1.4	(1)
Strat. Initiatives & Reviews	3.8	1.7	5.5	10.1	10	3.0	0.0	3.0	5.5	8	0.8	1.7	2.5	4.6	3
Strategic Communications	9.5	0.0	9.5	25.0	25	8.1	0.0	8.1	20.7	22	1.4	0.0	1.4	4.3	3
GSE and Meetings Ops.	14.9	0.6	15.5	44.0	44	14.6	0.0	14.6	40.0	41	0.3	0.6	0.9	4.0	3
Gov Engagement	2.9	0.0	2.9	7.0	7	2.6	0.0	2.6	6.0	7	0.2	0.0	0.2	0.1	0
SO/AC Policy and Eng.	10.5	0.0	10.5	30.0	30	9.4	0.3	9.7	28.5	30	1.1	(0.3)	0.8	1.5	-
Public Responsibility	2.9	0.8	3.0	0.0	0	0.3	2.5	2.0	7.0	8	2.5	(1.7)	0.8	1.0	-
Governance support	11.7	0.0	11.7	21.9	22	10.1	0.0	10.1	16.4	19	1.6	0.0	1.6	5.5	3
Operations	16.7	0.4	17.1	45.0	45	16.3	0.0	16.3	36.7	41	0.4	0.4	0.8	8.3	4
IT & Cyber Security	21.1	2.5	23.6	60.1	60	20.1	2.5	22.6	48.9	54	1.0	0.0	1.0	11.1	6
Executive & Ombudsman	2.4	0.0	2.4	4.0	4	2.8	0.0	2.8	4.0	4	(0.4)	0.0	(0.4)	-	-
New gTLD Allocation	(5.1)	0.0	(5.1)			(7.8)	0.0	(7.8)	-	-	2.7	0.0	2.7	-	-
Corporate	(1.5)	0.0	(1.5)	(8.9)	(9)	0.0	0.0	0.0	-	-	(1.5)	0.0	(1.5)	(8.9)	(9)
Contingency	5.0	0.0	5.0			1.2	0.0	1.2	-	-	3.8	0.0	3.8	-	-
Total Baseline Opex (Cash)	$126.5	$5.9	$132.4	366.5	367	$109.3	$5.3	$114.6	316.7	347	$17.2	$0.6	$17.8	49.8	20
Excess/(Deficit)	$5.9	($5.9)	$0.0			$11.5	($5.3)	$6.2							

Figure 2 – First annotated chart referred to in question 22

Figure 3 – Second annotated chart referred to in question 22