

Susanna Bennett
Chief Operations Officer
ICANN

5 August 2019

**Consultation on the Financial Assumptions and Operating Initiatives
for the Five-Year Strategic Planning Process**

Dear Susanna,

The Generic Names Supporting Organization (GNSO) Council welcomes the opportunity to provide input on ICANN's proposed Financial Assumptions and Operating Initiatives.

This statement is made on behalf of the GNSO Council. However, our comments are intended to complement, and not replace, any input that may be provided by individual GNSO Stakeholder Groups and Constituencies.

Specific Comment on the Financial Assumptions:

Regarding the Financial Assumptions document, the GNSO Council has limited our remarks to impacts in the management of gTLD policy development. We are not able to review the funding forecast in a particularly comprehensive manner because we have access only to historical trends and lack access to the more detailed datasets of the domain name industry that other parties may possess. As such, our more detailed responses below are based on ICANN's forecast and not independently validated or verified.

That said, based on the assumptions and forecast presented, funding appears to be stable which we assume indicates that support for policy development will also remain stable or grow to accommodate the increasing demands and work load. The GNSO Council appreciates the effort that went into the development of the Financial Assumptions document and the approach seems sound. Specifically, the Council agrees with the framework as defined by the Industry Context, Forecast Assumptions, and the Forecast Summary sections of the document.

In prior comments and position statements issued by the GNSO Council, particularly those related to the annual budget and consultations on the Reserve Fund, the Council does take note of the remaining five-year projection to replenish the reserve fund. The proposed plan appears to be on target and the GNSO Council is cautiously optimistic that it can be achieved. Furthermore, we endorse the financial sustainability principles that ICANN org has proposed, which will ensure that expenses do not exceed funding in any given year.

Specific Comments on Operating Initiatives:

Strategic Objective: Strengthen the security of the Domain Name System and the DNS Root Server System.

Operating Initiative: Promote Domain Name System Security Extensions and increase its deployment

The GNSO Council is a policy development management body and not one of with concentrated technical orientation. In general, the Council supports any effort that enhances the security and stability of the DNS, but it takes note that there does not appear to be complete agreement among the community about the priority of

deployment for DNNSEC. No response to the GNSO Council is required, as we anticipate that differing positions will be delivered from other areas of the community.

Operating Initiative: Coordinate security in the DNS ecosystem

The GNSO Council supports this as an Operating Initiative and we look forward to receiving more detailed information around this coordination.

We would appreciate further information as to how much of this effort can be completed well before the conclusion of this new five-year strategic plan, as it does appear to have a sense of urgency.

Strategic Objective: Improve the effectiveness of ICANN's multistakeholder model of governance.

Operating Initiative: Evolve and strengthen the multistakeholder model to facilitate diverse and inclusive participation in policy-making

The GNSO Council recognizes the importance of diverse and inclusive participation as an essential element in the credibility of the multistakeholder model. However, participation must also be informed and evidence-based.

Operating Initiative: Evolve and strengthen the ICANN community's decision-making processes to ensure efficient and effective policy making

The GNSO Council is interested in learning more about any initiative that seeks to evolve ICANN's decision-making processes. However, we do not believe quick decisions necessarily result from informed, evidence-based policy. This operating initiative by itself will not last the duration of the five-year plan, but instead be comprised of a series of efforts as noted the ATRT3, PDP3.0, WS2, and the Governance Plan to Improve the MSM. There should be an exercise to string these complimentary efforts together to achieve specific outcomes. Concurrently, the ICANN Board, ICANN Org and ICANN community must ensure that scarce resources, including staff and volunteer time, are used efficiently and effectively in light of all other competing demands and required deliverables.

Operating Initiative: Develop internal and external ethics policies

The GNSO Council supports the concept of internal and external ethics policies but we would appreciate further information about how and where this initiative connects back to the Strategic Goals and Strategic Objectives recently adopted by the Board.

Operating Initiative: Review and evaluate current meeting strategy

The GNSO Council agrees that face-to-face ICANN meetings are central to ICANN's multistakeholder model and are an essential vehicle for progressing policy work. We laud ICANN for assessing how it can reduce the "carbon footprint" of ICANN meetings and are keen to work with ICANN to maximize participation and the effectiveness of meetings, while balancing costs given increasing revenue constraints. The draft Operating Initiative indicates that ICANN org will "collaborate with the Board and the community" to "consider how and if" meetings should evolve. We ask that this be a joint effort, with community members plugged in and highly involved in this process, so that the resulting changes (if any) are truly a desire of the community's wishes and a result of informed decision making, and not a top-down decision imposed by ICANN org.

Strategic Objective: Evolve the unique identifier systems in coordination and collaboration with relevant parties to continue to serve the needs of the global Internet user base

Operating Initiative: Formalize a framework for further cooperation and coordination among the domain name, Internet numbers, and protocol parameter communities on risks associated with the evolution of the Internet's system of unique identifiers.

The GNSO Council requests additional information on this Operating Initiative. We would welcome further detail around the scope of the effort, the intended participants, the process for developing and formalizing the referenced framework, and the timeframes within which this is expected to be established.

Operating Initiative: Root Zone Management Evolution

The GNSO Council supports this effort and thinks this is one of the best examples of the Operating Initiatives presented for this consultation.

Operating Initiative: Promote and sustain a competitive environment in the Domain Name System.

The GNSO's policy development process on future rounds of gTLDs is anticipated to conclude in the final quarter of 2019 and therefore it makes sense that the commitment by the Board to launching a next round "as expeditiously as possible" be fulfilled.

Strategic Objective: Address geopolitical issues impacting ICANN's mission to ensure a single, globally interoperable Internet.

Operating Initiative: Evaluate, align and facilitate improved engagement in the Internet ecosystem

ICANN does not operate in a silo. The GNSO Council agrees that there is value in ICANN org conducting a review of how and when it interacts with other actors in the Internet governance ecosystem.

Operating Initiative: Improve engagement and participation with Government, Intergovernmental Organizations

The GNSO Council believes that these two Operating Initiatives can be consolidated into one. The first mentions IGOs, and the second mentions the GAC and IGOs. We understand that IGOs already participate via GAC and of course issues important to them is one of the longest policy issues the GNSO has encountered. We welcome efforts to resolve existing policy issues with urgency but most importantly appropriately.

As for engagement with IGOs that may not participate with us directly, we support smart outward engagement to understand challenges that may face ICANN. The GNSO Council will appreciate though more detail in how this varies from what already occurs within current government engagement activities. Nonetheless, we do recognize that this is a dependency to the Operating Initiative to "Monitor legislation..." and that adequate investment to support this will be required.

The GNSO Council does not object to the funding of modest capacity-building to increase and enhance the ability of the GAC to appropriately participate in the policy development process.

Operating Initiative: Monitor legislation, regulation, norms, principles and initiatives in collaboration with others that may impact the ICANN mission

The GNSO Council believes that ICANN org should prioritize the monitoring of legislative and regulatory developments around the world that could have an impact on ICANN’s ability to work in service of its mission. There are clear recent and active examples of such developments (GDPR, EU Copyright Directive, EU ePrivacy Directive) that demonstrate the need for such a process. We certainly do not object to ICANN “refin[ing]” this initiative; as such, we should recognize and learn from our recent history to ensure we are better able to respond to legislative and regulatory developments. The GNSO Council fully supports this as an Operating Initiative and we also support it being assigned a higher priority.

Strategic Objective: Ensure ICANN’s long-term financial sustainability.

Operating Initiative: Formalize the ICANN org funding model and improve understanding of the long-term drivers of the domain name marketplace

The GNSO Council acknowledges the accomplishments around the effort of defining market place indicators, annual budgeting, and other similar efforts that for example led to the creation of the Financial Projections document under consultation here. Therefore, the Council supports this activity generally, but we would appreciate more detail of why this rises above that of an Operating Activity.

Operating Initiative: Implement New gTLD Auction Proceeds recommendations

The GNSO Council supports this as an Operating Initiative, but we note that the CCWG-AP has yet to deliver its final recommendations. We look forward to seeing further details about internal resource requirements to launch this program.

Operating Initiative: Planning at ICANN

The GNSO Council is encouraged by this initiative that seeks to make ICANN’s planning processes more transparent, structured, and participatory. We think this is very appropriate given ICANN’s stewardship functions and remit to operate in the global public interest. As a result, we support this as an Operating Initiative. It is the Council’s view that planning at ICANN (Org, Board and Community) has modestly improved over the last several years. We have seen gains in transparency and information provided to the community within the annual budgeting processes, however we would welcome additional transparency as to work undertaken by the Global Stakeholder Engagement and Multistakeholder Initiatives teams. We support addressing “prioritization,” which is no doubt among the most challenging issues confronting the community today and for years to come. A key task listed is the “quantification of resources.” The Council continues to support investments in the consolidation of business operations with enterprise solutions that innovate how policy development is managed in the multistakeholder model. Only then can business intelligence be used to identify areas to optimize resources in an efficient and effective manner that produce positive policy outcomes. A well-known quote from Drucker, “you can’t manage what you don’t measure” applies to this issue. A comprehensive view of all the policy development activities is an essential dependency to begin to manage prioritization. A similar transition would benefit across all areas where the community is engaged with ICANN org and the ICANN Board.

Operating Initiative: ICANN reserves

See comments made under the Financial Assumptions section above.

The GNSO Council is grateful to ICANN for this opportunity to share our perspectives on this important issue and we trust you will find our recommendations helpful. As the GNSO is a part of the Empowered Community we look forward to reviewing all inputs from the public comment process which addresses ICANN's Strategic Planning process. Finally, the GNSO Council will be happy to answer any clarifying questions that you may have regarding the contents of this document.

Yours sincerely,

Keith Drazek
GNSO Chair

Rafik Dammak
GNSO Council Vice Chair
Non-Contracted Parties House

Pam Little
GNSO Council Vice Chair
Contracted Parties House