ALAC Comment

On the ICANN FY11 Operating Plan and Budget

Introduction
By the Staff of ICANN

The attached document was composed by the Chair of the ALAC, Cheryl Langdon-Orr and the ALAC Vice-Chairs Sebastien Bachollet and Alan Greenberg.

It is based on the preparatory work of the ALAC Finance and Budget Subcommittee and the regional At-Large organisations (RALO). The RALOs discussed the FY11 Operating Plan and Budget Framework during their monthly teleconferences and online. The regional priorities and budget requests for the coming fiscal year have been archived and can be reviewed on a dedicated wiki workspace. Further discussions on the FY11 Operating Plan and Budget were held during the At-Large meetings in Nairobi.

The Chair of the ALAC asked the Staff to start a five-day online vote on the ALAC Comment on the ICANN FY11 Operating Plan and Budget on April 9th and to submit it to the public consultation on the Proposed Framework for the Fiscal Year 2011 Operating Plan and Budget on behalf of the ALAC with a note that the document is currently undergoing the internal ratification process.

The online vote resulted in the ALAC endorsing the Statement with a 14-0 vote. You may review the result independently under: https://www.bigpulse.com/pollresults?code=Ii2NQSj9F7AspeumQetz

On April 13th 2010, the Staff person responsible for the public consultation on the Proposed Framework for the Fiscal Year 2011 Operating Plan and Budget was informed about the result and the Statement was also transmitted to the ICANN Board of Directors.

[End of Introduction]

ALAC Comment on the ICANN FY11 Operating Plan and Budget

I. Introduction

The At-Large Advisory Committee (ALAC), on behalf of the At-Large Community consisting of five regional At-Large Organizations (RALOs), and 121 At-Large Structures (ALSes), welcomes the opportunity to contribute to the Framework for the FY11 Operating Plan and Budget. We would also like to recognize the significant improvements to the transparency in reporting of budget-related information that have been made over the last year and offer our thanks to ICANN CFO Kevin Wilson for spearheading these efforts.

This submission is based on substantial discussion within all levels of the the At-Large Community over the last two months, including during teleconference meetings of the ALAC, the ALAC Executive Committee, the ALAC Finance and Budget subcommittee, and the monthly calls of the five RALOs as well as a face-to-face meeting during the 37th ICANN Meeting that took place in Nairobi, Kenya 7-12 March 2010.

Given the need to ensure synchronization with the priorities and objectives as stated within ICANN's Strategic Plan for 2010-2013 as well as the Affirmation of Commitments, much attention has been given to highlight the linkages to these two guiding documents.

This submission consists of three main sections: 1) Macro Budget Issues, 2) Key ALAC and At-Large Priorities, and 3) Regional Priorities.

II. Macro Budget Issues

Many of the points raised in the following section have already been raised and discussed in the teleconference and face-to-face meetings of our At-Large Community, the ALSes and Regional Leadership and the ALAC have had the opportunity to hold since the release of this Proposed Framework for the Fiscal Year 2011 Operating Plan and Budget and notably in the lead up to and at the ICANN Public Meeting Number 37 in Nairobi. ALAC and At-Large's Regional Leadership recognize that Kevin Wilson and staff already have been involved in detailed discussions around much of what this Public Comment briefly covers as they participate in many of the relevant meetings and community discussion calls we hold on ICANN Strategic Planning and Budget issues. The repetition of some aspects of these more fulsome discussions here in this document, is to ensure that the highlights are captured and avaiable to the wider ICANN community and to draw the attention of the ICANN Board, as well as the COO and the CFO, to the matters that are of particular importance to ALAC and the At-Large community as a result of this consultation stage of the strategic and operational planning process. Prior to outlining the key At-Large and ALAC priority issues and the regional priorities, we would like to highlight the following macro budget issues importance to us:

- Provide details with greater specificity, with real dollar amounts, and 'granularity' (i.e., the capacity to see and understand cost allocations and expenditure across all parts of ICANN inclusive of the information found in the REA and dashboard reporting currently available to us).

This is not just a call for a high level report of expenditure required to support each AC and SO. Indeed, we do recognize some expenses are shared across several of these. However, when that is the case a ratio or percentage of the 'split' could be provided. This information should be provided in

a tabular (i.e., real costs listed as items form as seen with travel expenditure in the dashboard), as well as in chart and graph form for year-to-date as well as year-to-year comparison and projection. Thus, if one 'clicked' on a section of a chart the main costs/expenses, information should be highlighted and a link to further detailed reporting provided. It is not our desire to make the budget reporting and planning unreadable or requiring an MBA but rather that for reasons of accountability and transparency relevant information and materials should be linked to primary source material and allow all members of the community to 'drill down' to the level of information they wish to engage with or refer to at any time.

- Similarly detailed information is also requested regarding where previous budget allocations for activities, projects, departments or AC and SO activities have varied from those previously budgeted. Information as to whether any unused funds are being reallocated and to where/what purpose should also be available. An example of this would be the situation of staff person or consultant leaving a department and not being immediately replaced. Does the unspent salary or project cost attributed to their role become 'for use' within that sectoral budget allocation or is it retained to consolidated revenue or reallocated to replacement of the person/role when that occurs? The answer would necessarily have significant impact related to matters of 'hire freezing' to control or reduce outlay.

- ALAC supports and concurs with the calls by other respondents for greater detail on employee and consultant time allocation (especially where deployment of their time is across several projects, activities, work groups and AC or SOs) as this not only allows for optimal accountability and transparency, but also assists with future planning for new tasks, projects and activities where future staff support or consultants are required. It is pivotal that if the primary role of an employee or consultant is to engage in a specific matter or role, say facilitation of the work of an AC or SO's council or to a particular WG or PDP process, that the community see that this is happening. Additionally, where due to increasing demands or tasks where the use of more than reasonable staff/consultant time is obvious, then a choice of either more or shared assistance or modification of project or activity milestones is required. It is the strong view of the ALAC that based on the significant time commitment and work of the At-Large staff, ICANN is getting 110% +++ from their employees and consultants in our sector (which literally works 24 x 7) and we believe this may not be obvious to others unless such a report is produced. If ICANN continues to require individual staff and volunteers to 'do more with less' we will simply lose the commitment and engagement from both and ICANN will fail to keep the level of bottom-up consensus-based policy development is has now, let alone needs in the future.

- ALAC, in keeping with its desire for greater detail and granularity in reporting, also supports the call by the Chair of the GNSO for a comparison of expenses and revenue by group. As the ultimate source of much of the registrant-derived revenue forwarded to ICANN from these contributors, the At-Large community and the ALAC would very much like an ability to see and track changes in the income and expenditure allocations from revenue (including a breakdown of the source of that revenue) and how it is distributed within the work of ICANN in any given period (subject to strategic planning and direction, of course). Year-to-year comparisons of such revenue and expenditure would also be considered as a requirement.

- ALAC and At-Large are aware of the current need for fiscally responsible budget control in FY11 year due to FY10 budget overruns, but to assist us and the wider community to

understand the background of this (and we do not believe it is merely due to the recent 'Global Financial Crisis' as this has not had a significant impact on the majority of the ccTLD environments many of us operate in or are familiar with). We also look forward to the answers and responses to the matters raised at the 37th ICANN Meeting in Nairobi by the ccNSO and subsequently listed as 5 questions in response to this call for public comment by Paul Szyndler on behalf of the ccNSO at http://forum.icann.org/lists/op-budget-fy2011/msg00001.html . The inclusion of this link in our response indicates our wish to have those matters responded to as well. Moreover, an analysis of any drop in revenue would aid understanding of ICANN's fiscal position.

- Again on the matter of more specific and detailed information to be provided, this time in relation to proposed expenditure and increases in proposed budget allocations to Technical Operations Expenses Sec 4. is, in our view, essential to allow for our community's, and that of the other SO and AC's, review, evaluation and fulsome response. Of particular interest to us would be more detail and focus on the costs of increasing and developing better remote participation (activity 4.6) and within Policy Development Support (activities 4.8 and 4.9) but these will be addressed in the following section.

III. Key At-Large and ALAC Priorities

The three key At-Large and ALAC priorities for FY11 are:

1. The Community has been working exceptionally hard over the last year toward the implementation of the recommendations from the ALAC Improvements. We had raised in the last budget review the matter that costs and budget allocations for these activities had to be considered to facilitate this essential and mandated process, and we had been reassured that budget provisions would be made.

We appreciate that there has been the recent and essential retainment of a consultant Mr. Seth Greene to act as Project Manager for the At-Large Improvements Implementation process and we are delighted with the progress on this since he joined us just prior to the Nairobi meeting (and this **is** in keeping with the listed requirement for the effective and timely facilitation of this essential and time critical work), but this is the only evidence we have of any planning or allocation of budget to these requirements.

With the lack of detail in section 4.7 and 4.8 it is impossible for us to assume if there has (in fact most likely to assume there has NOT) been any incorporation of the needs for budget support of our At-Large Improvements projects (or perhaps even our ongoing work plans) in the proposed FY11 Operating Plan and Budget.

We also note that the GNSO also makes this point with regards to their budget allocations needs for GNSO Improvements implementation planned for FY11, so this is, in our opinion a critical issue to address.

2. Staff support for the rapidly expanding work (and contributions made by) the At-Large community and the ALAC into ICANN processes and Policy Development has been drastically reduced during the last 4 months; When our previous Director of At-Large Mr. Nick Ashton-Hart moved to his new role in ICANN, and Heidi Ullrich was promoted to this role (having previously served most admirably as our At-Large Regional Affairs Manager), Matthias Langenegger was promoted to replace Heidi and there has been no replacement for the full time staff role of At-Large Coordination Officer. These three roles along with the expanding demands of Administrative Consultant (.5 FTE with GNSO .5)

exceptionally performed by Gisella Gruber-White (in a consultant capacity) literally provide our global community with 24 hour coverage of at least one responsive At-Large staff member at any time and this is essential to our community's continued success, growth and development. The provision of administrative support is appreciated and indeed essential to allow the primary work of these key personnel to be achieved but whilst the role of At-Large Coordinator remains unfilled it is the opinion of the ALAC that the At-Large Staff who support us are working at an unsustainable level and will not be able to continue to meet our current needs let alone our future work planned activities.

3. During the next strategic plan (e.g. 2013 – 2016) an important goal of At-Large, with the strong support of ICANN, will be to organize a second ICANN At-Large Summit.

Proposed Timeline:

• 2010 – 2013

- One RALO General Assembly in each of the five regions, to be held in conjunction with either an ICANN or other key Internet stakeholder meetings within the region (e.g. APRICOT, LACNIC/LACTLD, IGF or regional IGF's, INET's, etc.)
- To recruit new ALSes to cover 80% of the countries in each region. (One {at least} ALS per country worldwide is a cross-regional aim)

• 2013 - 2016

- A second ICANN At-Large Summit,
- New ALSes to join.

This project should be undertaken in conjunction with outreach and participation activities with other AC and SOs notably the GAC, the ccNSO (and possibly with stakeholder groups of the non-contracted House of the GNSO) and with the support of ICANN Global Partnership department. ALAC hopes that a synergy could be found along similar objectives, all aimed at increasing and improving both public participation in ICANN and our role in a healthy Internet eco-system.

IV. Regional Priorities

Following the bottom-up, consensus-based approach to policy development and priority-setting utilized by the At-Large Community, representatives of the five RALOs have worked closely with their regional ALSes to identify and prioritize their key issues and activities. The key priority issues (all requiring facilitation and support by ICANN ranging from materials and staff support through to travel and accommodation funding {outside of the constituency-travel support to ICANN's meetings in any fiscal year}) that all RALOs identified were:

- Capacity building and continuing education of RALOs and ALSes - there is a universally recognised need for capacity building and continuing education of the growing number of ALSes in order to ensure that all ALS representatives are able to contribute effectively to At-Large policy discussions and policy-making activities. These activities are directly related to increasing the level of participation of communities within ICANN that has been identified as an area of focus in the Strategic Plan for 2010-2013 as a contributing factor to a healthy Internet eco-system.

- Outreach and In-reach activities - In order to increase the number of ALSes (a key goal of the At-Large Community is at least one ALS in each country), as well as to encourage the continuing participation of existing ALSes, a second key universally recognized priority is to

engage in effective outreach (i.e., recruitment of new ALSes) and in-reach (i.e., support of existing ALSes). Activities related to this priority, such as contributing to international forums, are also clearly linked to the Strategic Plan area of focus of a healthy Internet eco-system. Outreach activities include working closely with Global Partnerships (our staff can provide the CFO, COO and the Board with a briefing report on our progress in this area if required, but it has been subject our meetings with Global Partnership staff at the Seoul and Nairobi meetings as well as intersessionally), to identify potential ALS candidates at global and regional meetings attended by Global Partnership regional liaisons such as the IGF and regional IGFs. Collaboration with the Fellowship program to identify potential ALS candidates from among past and current Fellows will also be mutually beneficial. Providing support for RALO representatives to participate in identified regional internet-related events is widely seen as an absolute necessity for successful outreach as well as education of existing ALSes. The on-going development of regional brochures, a few of which were produced in FY10, for purposes of raising awareness of RALO activities and informing potential ALS candidates on how to apply to become a certified ALS within one of the five RALOs is also identified as an outreach tool.

- Many of the other Regional and ALS based priorities are integrated in various of the recommendations from the ALAC Improvements process and so are mentioned within the Key At-Large and ALAC Priorities.

As many of these funding requirements will be individually quite small, and as decisions will often need to be taken in a short time-frame, it is suggested that they be addressed within the budget by a single "envelope" type budget, where the actual expenditure decisions can be taken by the ALAC under the guidance of our Policy Support Staff. This methodology was raised by Bruce Tonkin at the public GNSO meeting in Nairobi, and was discussed at length with Kevin Wilson, and is in keeping with the ALAC - At-Large Improvements Report and Recommendations .

We are appreciative of the opportunity to contribute to the FY11 Operating Plan and Budget process and look forward to receiving a direct response to our comments.

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(Draft editors from the ALAC ExCom-on behalf of the At-Large Advisory Committee - ALAC)