

# ALAC Updates ----August 2019.

## Policy development activities

*Statements approved by the ALAC*

### [Proposed Definition of Name Collisions and Scope of Inquiry for the Name Collisions Analysis Project](#)

As the ICANN constituency representing the views of individual Internet end users, the At-Large Advisory Committee (ALAC) considers the issue of Name Collision in the DNS an area of importance for the minimization of unintended consequences for end users. Name Collision occurs when a user, attempting to reach a private domain name, unintentionally reaches a misinterpreted public domain name, thus creating situations which not only undermines end user trust of the Internet but could also pose potential security issues. In this respect, the ALAC supports the Security and Stability Advisory Committee (SSAC) in its continuing efforts to address the issue of Name Collision and notes the progress made in moving the Name Collision Analysis Project (NCAP) forward since the ICANN Board decisions of 2017-11-02, 2018.02.04.12 and 2019.03.14. And in particular, the ALAC notes the initiation of the NCAP Discussion Group (NCAP DG) in April 2019 and its facilitation of community participation in drafting the present Proposed Definition of Name Collision and Scope of Inquiry for the Name Collision Analysis Project (NCAP) dated 1 July 2019 for public comment.

We appreciate the need to have a Name Collision definition for purposes of scoping the inquiry for the NCAP, in order for the NCAP Study One to be manageable and on point. Therefore, the ALAC supports the Proposed Definition of Name Collision and Scope of Inquiry for the Name Collision Analysis Project of 1 July 2019. Of particular importance to us are: (1) The recognition and inclusion of Type B situations (ie. B. In scope but not intended to be the subject of data studies) which provides built-in peripheral consideration of such situations with decision for examination through data analysis at a later stage if a compelling case were to arise within Study One; and (2) The possibility of amending the Definition of Name Collision and Scope of Inquiry for the Name Collision Analysis Project should further pertinent information come to light at a later stage either through the ongoing work of the NCAP DG, NCAP Working Party and/or input obtained from the party/ies eventually contracted to undertake NCAP Study One.

## [ALAC Statement on Evolving the Governance of the Root Server System](#)

The proposed evolution of the governance of the Root Server System in RSSAC037 is arguably one of the most significant processes in the history of ICANN.

The RSSAC and those who contributed to RSSAC037 are to be congratulated as is the ICANN Board for its response currently under discussion.

The ALAC strongly supports the overall proposal and appreciates the opportunity to comment on it.

The ALAC offers two specific comments:

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Section 4 of RSSAC037 discusses who the stakeholders of the RSS are. Absent from this list is the explicit mention of users (both individual as represented by At-Large and the rest of the users who rely on the RSS). Without those users, there would be no need for the RSS, as is emphasized a couple of times in RSSAC037. The ultimate ICANN model must encompass this, and users should be explicitly represented on the Root Server System Governance Board (RGB).

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The financial aspects of this proposal will be key to its success. At a time when ICANN's budgets are being subjected to significant constraint, the concept model will without doubt have a high and ongoing cost. It is unclear where the Board currently visualizes these funds will come from. Cost estimates must be established. Once this is done, there should be a study of possible sustainable funding options. As important as the RSS is, the new funding must not come at great cost to other Community and non-DNS, industry-based activity support by ICANN org.

## [ALAC Statement on Draft Financial Assumptions & Projections and Operating Initiatives for the development of Fiscal Years 2021-2025 Operating & Financial Plan](#)

### **Background**

As stated in the document, the ICANN Draft Strategic Plan for Fiscal Years 2021–2025 set out strategic objectives and strategic goals. The Draft Strategic Plan will be complemented by a five-year Operating and Financial Plan that describes ICANN org's Operating Initiatives and Operating Activities. Operating Initiatives are major initiatives ICANN Org will undertake to achieve the objectives and goals set out in the Strategic Plan. Operating Activities are the day-to-day activities supporting the organization's mission. For ICANN to achieve on those objectives it must prioritize its work, plan resources appropriately and ensure that its financial plan is developed thoroughly., also

considering existing projects, daily operations and anticipated projects not related directly to the Draft Strategic Plan. • ICANN shared these 16 Operating Initiatives that ICANN Org plans to focus on during the period of FY21-25. These are major workstreams that support the objectives identified in the Draft Strategic Plan. ALAC commented on this public comment and their comments can be found here. • Additionally we commented on the related public comment regarding the two year planning process and this can be found here. • As well as to the ICANN Draft FY20 Operating Plan And Budget And Five-year Operating Plan. This statement can be found here. • Lastly, ALAC also provided comments to the ALAC Statement on Evolving the Multistakeholder Model at ICANN, this statement can be found here. This public comment references all of these past comments as they are all relevant to the Operating Initiatives mentioned in this document. The ALAC has considered the draft financial assumptions, projections and operating initiatives, and we offer the following comments:

### **Financial Assumptions**

We are being asked to comment on assumptions that are yet to be validated by external information, such as market research. We note that we do not have all the background data that financial planners would use to make such assumptions. However, our deep involvement in the evolving context in which ICANN operates leads us to present several cautionary points with respect to the financial assumptions. The assumptions and market trend documents place a great load on the assumption that a new round of new gTLDs will continue to allow for the creation of new gTLD-based business models, and greater identity specialization for registrants. This also assumes that registries and registrars will encourage greater awareness of what these models might be, and how they can help registrants develop their businesses based on geographic or brand gTLDs. For example, some registries and registrars have been most proactive in helping to build their particular brands by offering support and advice for registrants and businesses to make the most of their domains and websites, with marketing and website development advice to support a successful digital presence for their users via social media, as well as on an individual basis. The ALAC is not optimistic that assumptions A and B will be highly successful vehicles to new revenue. Although the first round of new gTLDs did bring in considerable revenue, we point out that these earlier rounds represented the “low hanging fruit” in the new gTLD market. Future rounds will require more resources. Additionally, while we know how much money came in from the earlier rounds, we do not know how much the next round will cost, nor do we know the sustainability of new gTLDs which are still dormant or somewhat dormant. Moreover, there is no evidence that there is a pent-up demand for brands and geoTLDs. Although there have been some lessons learned, any next round would seek to reach

more difficult areas (see assumptions F & G), and this new round could be more expensive. We also have not seen any cost-benefit analysis for doing this new round. Has this been done? The ALAC notes there is little to no evidence that either of these gTLD categories will generate large profits for ICANN in the long run. In the attached paper, ICANN even noted this and stated many of the brands picked up in the last round were picked up solely for defensive purposes. The assumption that this will suddenly change is just that - an assumption. The ALAC has already registered its concerns and recommended caution with respect to new GTLD rounds. ICANN's financial health requires that the case for domain names remain strong, and ICANN's focus should be on security, stability, strengthening the multistakeholder system and other fundamental task[s] noted in the strategic plan, rather than focusing on further rounds of new gTLDs for the time being. In addition, it is still too early to know the real financial impact of the most recent gTLD expansion, in terms of a cost-benefit analysis. What we can agree on, and what ICANN is putting money towards, is that there is an urgent need to resolve current challenges around Universal Acceptance, which will open new markets in areas with a low rate of domain name adoption (assumption G). We suggest that ICANN's revenues will remain fairly constant - neither growing exceedingly nor shrinking excessively over the next five years. Maintaining that equilibrium will require careful curation of the domain name assets through unfailing attention to the primary strategic goal of security, stability and trust (assumption H). The ALAC cannot support the strategy of reliance on these new gTLDs as a source of new revenue. Our conclusions, given the concerns above, are to find a middle ground. The ALAC believes that reasonably conservative financial projections would be the best way forward.

### **Operational Issues**

In the ALAC comment regarding the Strategic Plan and its 16 different objectives, the ALAC condense these 16 down to 5 overarching objectives:

1. Strengthen the security of the Domain Name System (DNS) and the DNS Root Server System
2. Improve the effectiveness of ICANN's multistakeholder model of governance, facilitating diverse and inclusive participation in policy-making
3. Evolve the unique identifier systems to continue to serve the needs of the global Internet user base
4. Address geopolitical issues impacting ICANN's mission to ensure a single and globally interoperable Internet
5. Ensure ICANN's long-term financial sustainability

As we have noted above and in our comments concerning the strategic plan, 2-year planning process, financial budget and operating plans, and the evolving

multistakeholder model, we agree that the security of the DNS and the root server system is the primary goal in the ICANN strategic plan. We agree that resources towards promoting DNSSEC and increasing its deployment is key. Security, stability and trust are the fundamental pillars upon which financial assumptions rest. The ALAC agrees that work which needs to be done on evolving the multistakeholder system is substantial and complex and that it must be ongoing with adequate resources directed towards its completion. The objectives related to diverse and inclusive participation in policy making in an efficient and effective way are essential to improving the system. The At-Large community is already devoting as much energy as possible to this process, on the assumption that the process will continue to be supported as fully as possible. We welcome the commitment in this document to continue to provide a high level of staff and resource support to SOs and ACs engaged in this process, and some of the suggestions regarding prioritization, standard protocols, etc. as long as they are a result of engagement and agreement at the level of affected ICANN constituencies. We share the goal that internal and external ethics policies must be exemplary. However, we are somewhat concerned about the review and evaluation of the current face-to-face meeting strategy. The ALAC underlines that face-to-face meetings are essential to the functioning of the multistakeholder model. At-Large and other members of the volunteer community will not be able to maintain the level of engagement needed to do this work if they are unable to hold some of their discussions in the most efficient manner as possible, by utilizing face-to-face meetings. There may be efficiencies to be found in meeting logistics, but they must not compromise the ongoing work of volunteer teams at these face-to face meetings. Volunteers are already contributing considerable personal resources - including time and money - towards supporting the multistakeholder system. The ALAC commented on the importance of the unique identifiers system and root zone management in this recently filed comment. With respect to a new round of gTLDs, we have pointed out that this is not a priority for Internet end users. We do not support allocating major resources to a new round until there is more evidence that a major demand exists and that such an activity will truly benefit the global Internet community. The ALAC agrees and has also noted in previous comments filed on the multistakeholder model that ICANN must continue to engage with other bodies in the Internet ecosystem. Keeping abreast of relevant regulatory and legal issues around the world, engaging with IGF, ITU, governments and regulatory bodies is essential. Stepping away from these responsibilities would result in an organization which was out of step with changing conditions around the world. Formalizing ICANN's funding model and determining the long-term drivers is a responsibility of any organization of the size and importance of ICANN. We expect that the community will be part of this process. Getting these assumptions right will be the driver of success in most of the other operating initiatives. We expect opportunities for all ICANN constituencies to have some

input to the eventual model and see our responses to the financial assumptions in this comment as part of this process.

### **Planning at ICANN**

As ALAC stated in its response to the 2-year planning process public comment, would find it extremely helpful if ICANN org provided a priority level to each of the published projects. As the orientation document to this public comment stated, each of the ICANN funded projects corresponds to a different strategic objective, but there is no indication as to the priority level for that project and where it falls in the budget cycle. Providing some sort of clarity as to the priority given each project and how it compares to other projects on the list in terms of priority would provide the community with a better idea of the established priorities of all projects in the published list. The ALAC/At-Large community propose some clarity via a listing of priorities and statements on the impact of each project on ICANN org and on each of the unique ACs and SOs. This would be helpful, in the context of a vast number of ICANN org projects. If the At-Large community were aware of ICANN org priorities, it would help the community reshape our agenda to become more in line with the ICANN org workflow. It would give us an idea of which issues we need to emphasize, should we feel an issue is extremely critical. Without an understanding of the priority of each of ICANN project, it is difficult for the community to respond and advocate effectively. As the ALAC wrote in its response to the ICANN Strategic Plan, we believe that keeping the system up and-running, safe, and maintaining the multistakeholder system are the top priorities. Beyond these priorities, the community should be directly involved in setting other priorities. As priorities are usually linked to funding, the community should also have an opportunity to identify and point out the impact of changes to funding. Ample time needs to be given for community input. The ALAC/At-Large community believes that while policy development and implementation activities are integral to the planning process, so are other activities, such as those that enable communication, 5 collaboration, and outreach, between RALOS, At-Large members and other constituencies. Such activities are integral to the planning process. A jointly developed priority list would help the community advocate for the projects they feel are essential to each constituency. It would also help us plan better and target our own policy and outreach and engagement activities.

### **Auction Proceeds**

It is gratifying to read that ICANN org will be prepared to support the next phase of this work by providing staff support to deliver feasibility assessments and costing as inputs to the ICANN Board for consideration of the Cross-Community Working Group on New gTLD Auction Proceeds (CCWG-AP), and will implement the adopted

recommendations, as At-Large members have spent hundreds of hours working these past 2.5 years on the CCWG-AP and are working towards the conclusion of phase two of this project. Phase three is implementation of the recommendations.

### **ICANN Reserves**

The ALAC is a strong supporter of the need by all constituencies and of the ICANN Board to safeguard ICANN's long-term financial sustainability, and to be accountable to the public in pursuit of ICANN's mission. Please see our comment on the replenishment of the reserve fund. Specifically, that while the ALAC supported the allocation of operational savings at the average level of US \$3 million per year, it did so with the understanding that this implicit reduction on spending budgets must be spread evenly over the entire budget. As seen in the draft FY19 budget, there is a temptation to focus reductions on specific (vulnerable) parts of the community, potentially endangering the multistakeholder model. That must not happen in this case. We stated that ICANN might need to consider a temporary increase on per-domain registrar fees. In past years, where ICANN finances were growing, we did not hesitate to reduce registrar fees in some years. We similarly should not hesitate to increase them in this case.

### **[ALAC Statement on Proposed IANA SLAs for Publishing LGRs/IDN Tables](#)**

The IDN Practices Repository is maintained under the IANA naming function contract and sets out the process for amending naming SLAs which Public Technical Identifiers (PTIs) must adhere to. All changes (developing new SLAs, deleting SLAs or amending SLAs) require community input. Consequently, public comment is sought on two proposed new SLAs for Label Generation Rulesets (LGR). The two proposed new SLAs are for a maximum of 5 days for validation and review, and 7 days for implementation - both at the 90% level. The two new SLAs have already been agreed to by the Customer Standing Committee (CSC), the PTI and ICANN. The ALAC appreciates the opportunity to comment, and supports the recommendations of the CSC and PTI for the proposed IANA SLAs for publishing the LGRs/IDN Tables.

### **[ALAC Statement on Fundamental Bylaws Amendment Proposal – IANA Naming Function Review](#)**

The ALAC supported the current version of the ICANN Bylaws Section 18.7(a) and 18.7(b), but understands that it has now proven to be difficult to implement. The ALAC agrees that the proposed change preserves the intent of the original Fundamental

Bylaw and supports the change. Subject to any new information being brought to the ALAC's attention, the current intention is that the ALAC will support this Fundamental Bylaw change when it is presented to the Empowered Community.